

LEGISLATIVE COUNSEL  
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91ST CONGRESS  
2D SESSION

# H. R. 15073

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 18, 1970

Ordered to be printed with the amendment of the Senate

[Strike out all after the enacting clause and insert the part printed in italic]

## AN ACT

To amend the Federal Deposit Insurance Act to require insured banks to maintain certain records, to require that certain transactions in United States currency be reported to the Department of the Treasury, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### ~~TITLE I—FINANCIAL RECORDKEEPING~~

~~Chapter~~

<del>1. INSURED BANKS AND INSURED INSTITUTIONS</del>	<del>101</del>
<del>2. OTHER FINANCIAL INSTITUTIONS</del>	<del>121</del>

### ~~CHAPTER 1—INSURED BANKS AND INSURED INSTITUTIONS~~

~~Sec.~~

- ~~101. Retention of records by insured banks.~~  
~~102. Retention of records by insured institutions.~~

~~1 Section 101. Retention of records by insured banks~~

~~2 The Federal Deposit Insurance Act is amended~~  
~~3 (1) by redesignating sections 21 and 22 as 22 and 23,~~  
~~4 respectively, and (2) by inserting the following new section~~  
~~5 immediately after section 20:~~

~~6 "Sec. 21. (a) (1) The Congress finds that adequate~~  
~~7 records maintained by insured banks have a high degree of~~  
~~8 usefulness in criminal, tax, and regulatory investigations and~~  
~~9 proceedings. The Congress further finds that photocopies~~  
~~10 made by banks of checks, as well as records kept by banks of~~  
~~11 the identity of persons maintaining or authorized to act with~~  
~~12 respect to accounts therein, have been of particular value in~~  
~~13 this respect.~~

~~14 "(2) It is the purpose of this section to require the~~  
~~15 maintenance of appropriate types of records by insured banks~~  
~~16 where such records may have a high degree of usefulness in~~  
~~17 criminal, tax, or regulatory investigations or proceedings.~~

~~18 "(b) The Secretary of the Treasury (referred to in this~~  
~~19 section as the 'Secretary') shall prescribe to carry out the~~  
~~20 purposes of this section.~~

~~21 "(c) Each insured bank shall maintain such records and~~  
~~22 other evidence as the Secretary shall require of the identity~~  
~~23 of each person having an account with the bank and of each~~  
~~24 individual authorized to sign checks, make withdrawals, or~~  
~~25 otherwise act with respect to any such account.~~

1       ~~“(d) Each insured bank shall make, to the extent that~~  
2       ~~the regulations of the Secretary so require,~~

3       ~~“(1) a photocopy or other copy of each check,~~  
4       ~~draft, or similar instrument drawn on it and presented~~  
5       ~~to it for payment.~~

6       ~~“(2) a record of each check, draft, or similar instru-~~  
7       ~~ment received by it for deposit or collection, together~~  
8       ~~with an identification of the party for whose account it~~  
9       ~~is to be deposited or collected, unless the bank has al-~~  
10       ~~ready made a record of the party's identity pursuant to~~  
11       ~~subsection (c).~~

12       ~~“(e) Whenever any individual engages (whether as~~  
13       ~~principal, agent, or bailee) in any transaction with an in-~~  
14       ~~sured bank which is required to be reported or recorded under~~  
15       ~~the Currency and Foreign Transactions Reporting Act, the~~  
16       ~~bank shall require and retain such evidence of the identity of~~  
17       ~~that individual as the Secretary may prescribe as appropriate~~  
18       ~~under the circumstances.~~

19       ~~“(f) In addition to or in lieu of the records and evidence~~  
20       ~~otherwise referred to in this section, each insured bank shall~~  
21       ~~maintain such records and evidence as the Secretary may~~  
22       ~~prescribe to carry out the purposes of this section.~~

23       ~~“(g) Any type of record or evidence required under~~  
24       ~~this section shall be retained for such period as the Secretary~~  
25       ~~may prescribe for the type in question.~~

1       ~~"(h) The Secretary shall make an annual report to the~~  
2       ~~Congress of his implementation of the authority conferred~~  
3       ~~by this section and any similar authority with respect to~~  
4       ~~recordkeeping or reporting requirements conferred by other~~  
5       ~~provisions of law.~~

6       ~~"(i) Notwithstanding any other provisions of this sec-~~  
7       ~~tion the recordkeeping requirements referred to in this section~~  
8       ~~shall not apply to domestic financial transactions involving~~  
9       ~~less than \$500."~~

10       ~~**Sec. 102. Retention of records by insured institutions**~~

11       ~~Title IV of the National Housing Act is amended by~~  
12       ~~adding at the end thereof the following new section:~~

13       ~~"Sec. 411. The Secretary of the Treasury shall pre-~~  
14       ~~scribe such regulations as may be appropriate to carry out,~~  
15       ~~with respect to insured institutions, the purposes set forth~~  
16       ~~in section 21 of the Federal Deposit Insurance Act with~~  
17       ~~respect to insured banks."~~

18       ~~**CHAPTER 2—OTHER FINANCIAL INSTITUTIONS**~~

~~Sec.~~

~~121. Congressional findings and purpose.~~

~~122. Ownership and control.~~

~~123. Maintenance of records and evidence.~~

~~124. Injunctions.~~

~~125. Civil penalties.~~

~~126. Criminal penalty.~~

~~127. Additional criminal penalty in certain cases.~~

19       ~~**Sec. 121. Congressional findings and purpose**~~

20       ~~(a) The Congress finds that adequate records main-~~  
21       ~~tained by businesses engaged in the functions described in~~

1 ~~section 123 (b) of this Act have a high degree of usefulness in~~  
2 ~~criminal, tax, and regulatory investigations and proceedings.~~  
3 ~~The Congress further finds that the power to require reports~~  
4 ~~of changes in the ownership, control, and management of~~  
5 ~~types of financial institutions referred to in section 122 of this~~  
6 ~~Act may be necessary for the same purpose.~~

7 ~~(b) It is the purpose of this chapter to require the main-~~  
8 ~~tenance of appropriate types of records and the making of~~  
9 ~~appropriate reports by such businesses where such records or~~  
10 ~~reports may have a high degree of usefulness in criminal, tax,~~  
11 ~~or regulatory investigations or proceedings.~~

12 ~~**Sec. 122. Ownership and control.**~~

13 ~~The Secretary may by regulation require any type of~~  
14 ~~uninsured bank or uninsured institution to make such reports~~  
15 ~~as the Secretary may require in respect of its ownership, con-~~  
16 ~~trol, and management and any changes therein.~~

17 ~~**Sec. 123. Maintenance of records and evidence**~~

18 ~~(a) The Secretary may by regulation require any un-~~  
19 ~~insured bank or uninsured institution or any person engaging~~  
20 ~~in the business of carrying on any of the functions referred~~  
21 ~~to in subsection (b) of this section.~~

22 ~~(1) to require, retain, or maintain, with respect to~~  
23 ~~its functions as an uninsured bank or uninsured insti-~~  
24 ~~tution or its functions referred to in subsection (b), any~~  
25 ~~records or evidence of any type which the Secretary is~~

(i)

1 ~~authorized under section 21 of the Federal deposit In-~~  
2 ~~surance Act to require insured banks to require, retain,~~  
3 ~~or maintain.~~

4 ~~(2) to maintain procedures to assure compliance~~  
5 ~~with this chapter. For the purposes of any civil or crim-~~  
6 ~~inal penalty, a separate violation of any requirement~~  
7 ~~under this paragraph occurs with respect to each day~~  
8 ~~and each separate office, branch, or place of business in~~  
9 ~~which the violation occurs or continues.~~

10 ~~(b) The authority of the Secretary under this section~~  
11 ~~extends to any person engaging in the business of carrying~~  
12 ~~on any of the following functions:~~

13 ~~(1) Issuing travelers' checks.~~

14 ~~(2) Issuing or redeeming checks, money orders,~~  
15 ~~travelers' checks, or similar instruments otherwise than~~  
16 ~~as an incident to the conduct of its own nonfinancial~~  
17 ~~business.~~

18 ~~(3) Transferring or transmitting funds or credits~~  
19 ~~domestically or internationally.~~

20 ~~(4) Operating a currency exchange or otherwise~~  
21 ~~dealing in foreign currencies or credits.~~

22 ~~(5) Operating a credit card system.~~

23 ~~(6) Performing such similar, related, or substitute~~  
24 ~~functions for any of the foregoing or for banking as may~~  
25 ~~be specified by the Secretary in regulations.~~

1 ~~Sec. 124. Injunctions~~

2 ~~Whenever it appears to the Secretary that any person~~  
3 ~~has engaged, is engaged, or is about to engage in any acts or~~  
4 ~~practices constituting a violation of any regulation under~~  
5 ~~this chapter, he may in his discretion bring an action, in the~~  
6 ~~proper district court of the United States or the proper~~  
7 ~~United States court of any territory or other place subject~~  
8 ~~to the jurisdiction of the United States, to enjoin such acts~~  
9 ~~or practices, and upon a proper showing a permanent or tem-~~  
10 ~~porary injunction or restraining order shall be granted with-~~  
11 ~~out bond. Upon application of the Secretary, any such court~~  
12 ~~may also issue mandatory injunctions commanding any per-~~  
13 ~~son to comply with any regulation of the Secretary under~~  
14 ~~this chapter.~~

15 ~~Sec. 125. Civil penalties~~

16 ~~(a) For each willful violation of any regulation under~~  
17 ~~this chapter, the Secretary may assess upon any financial~~  
18 ~~institution to which the regulation applies, and upon any~~  
19 ~~partner, director, officer, or employee thereof who willfully~~  
20 ~~participates in the violation, a civil penalty not exceeding~~  
21 ~~\$1,000.~~

22 ~~(b) In the event of the failure of any person to pay any~~  
23 ~~penalty assessed under this section, a civil action for the re-~~  
24 ~~covery thereof may, in the discretion of the Secretary, be~~  
25 ~~brought in the name of the United States.~~

1 ~~Sec. 126. Criminal penalty~~

2 ~~Whoever willfully violates any regulation under this~~  
 3 ~~chapter shall be fined not more than \$1,000 or imprisoned not~~  
 4 ~~more than one year, or both.~~

5 ~~Sec. 127. Additional criminal penalty in certain cases~~

6 ~~Whoever willfully violates any regulation under this~~  
 7 ~~chapter, section 21 of the Federal Deposit Insurance Act,~~  
 8 ~~or section 411 of the National Housing Act, where the viola-~~  
 9 ~~tion is knowingly committed in furtherance of the commis-~~  
 10 ~~sion of any violation of Federal law punishable by imprison-~~  
 11 ~~ment for more than one year shall be fined not more than~~  
 12 ~~\$10,000 or imprisoned not more than five years, or both.~~

13 ~~TITLE II—REPORTS OF CURRENCY AND~~  
 14 ~~FOREIGN TRANSACTIONS~~

<del>Chapter</del>	<del>Sec.</del>
<del>1. GENERAL PROVISIONS</del>	<del>201</del>
<del>2. DOMESTIC CURRENCY TRANSACTIONS</del>	<del>221</del>
<del>3. REPORTS OF EXPORTS AND IMPORTS OF MONETARY INSTRUMENTS</del>	<del>231</del>
<del>4. FOREIGN TRANSACTIONS</del>	<del>241</del>

15 ~~CHAPTER 1—GENERAL PROVISIONS~~

- ~~Sec.~~
- ~~201. Short title.~~
- ~~202. Purposes.~~
- ~~203. Definitions and rules of construction.~~
- ~~204. Regulations.~~
- ~~205. Compliance procedures.~~
- ~~206. Exemptions.~~
- ~~207. Civil penalty.~~
- ~~208. Injunctions.~~
- ~~209. Criminal penalty.~~
- ~~210. Additional criminal penalty in certain cases.~~
- ~~211. Immunity of witnesses.~~



1 ~~Sec. 201. Short title~~

2 ~~This title may be cited as the Currency and Foreign~~  
3 ~~Transactions Reporting Act.~~

4 ~~Sec. 202. Purposes~~

5 ~~The purposes of this title are (1) to facilitate the super-~~  
6 ~~vision of financial institutions properly subject to Federal~~  
7 ~~supervision, (2) to aid duly constituted authorities in lawful~~  
8 ~~investigations, and (3) to provide for the collection of sta-~~  
9 ~~tistics necessary for the formulation of monetary and economic~~  
10 ~~policy.~~

11 ~~Sec. 203. Definitions and rules of construction~~

12 ~~(a) The definitions and rules of construction set forth~~  
13 ~~in this section apply for the purposes of this title.~~

14 ~~(b) The term "Secretary" means the Secretary of the~~  
15 ~~Treasury.~~

16 ~~(c) The term "person" includes natural persons, part-~~  
17 ~~nerships, trusts, estates, associations, corporations, and all~~  
18 ~~entities cognizable as legal personalities. The term also in-~~  
19 ~~cludes any governmental department or agency specified by~~  
20 ~~the Secretary either for the purpose of this title generally or~~  
21 ~~any particular requirement thereunder.~~

22 ~~(d) The term "United States", used in a geographical~~  
23 ~~sense, includes the States and the District of Columbia, and~~

10

1 ~~to the extent the Secretary shall by regulation specify, either~~  
2 ~~for the purposes of this title generally or any particular re-~~  
3 ~~quirement thereunder, the Commonwealth of Puerto Rico,~~  
4 ~~the possessions of the United States, United States military~~  
5 ~~establishments, and United States diplomatic establishments.~~

6 ~~(c) The term "financial institution" means any person~~  
7 ~~which does business in any one or more of the following~~  
8 ~~capacities:~~

9 ~~(1) an insured bank as defined in section 3 of the~~  
10 ~~Federal Deposit Insurance Act.~~

11 ~~(2) a commercial bank or trust company.~~

12 ~~(3) a private banker.~~

13 ~~(4) a branch within the United States of any for-~~  
14 ~~ign bank.~~

15 ~~(5) an insured institution as defined in section 401~~  
16 ~~of the National Housing Act.~~

17 ~~(6) a savings bank, building and loan association,~~  
18 ~~credit union, or other thrift institution.~~

19 ~~(7) a broker or dealer registered with the Securities~~  
20 ~~and Exchange Commission under the Securities Ex-~~  
21 ~~change Act of 1934.~~

22 ~~(8) a broker or dealer in securities or commodities.~~

23 ~~(9) an investment banker.~~

24 ~~(10) a currency exchange.~~

1       ~~(11) an issuer, redeemer, or casher of travelers'~~  
2       ~~checks, checks, money orders, or similar instruments.~~

3       ~~(12) an operator of a credit card system.~~

4       ~~(13) an insurance company.~~

5       ~~(14) a dealer in precious metals, stones, or jewels.~~

6       ~~(15) a pawnbroker.~~

7       ~~(16) a finance or loan company.~~

8       ~~(17) any other type of business or institution per-~~  
9       ~~forming similar, related, or substitute functions specified~~  
10      ~~by the Secretary by regulation for the purposes of the~~  
11      ~~provision of this title to which the regulation relates.~~

12      ~~(f) The term "financial agency" means any person~~  
13      ~~which acts in the capacity of a financial institution or in the~~  
14      ~~capacity of a bailee, depository, trustee, agent, or in any~~  
15      ~~other similar capacity with respect to money, credit, securi-~~  
16      ~~ties, or gold, or transactions therein, on behalf of any person~~  
17      ~~other than a government, a monetary or financial authority~~  
18      ~~when acting as such, or an international financial institution~~  
19      ~~of which the United States is a member.~~

20      ~~(g) The term "domestic", used with reference to institu-~~  
21      ~~tions or agencies, limits the applicability of the provision~~  
22      ~~wherein it appears to such institutions or agencies to the ex-~~  
23      ~~tent that they perform any functions as such within the United~~  
24      ~~States.~~

1       ~~(h) The term "foreign", used with reference to institu-~~  
2       ~~tions or agencies, limits the applicability of the provision~~  
3       ~~wherein it appears to such institutions or agencies to the ex-~~  
4       ~~tent that they perform any function as such outside the United~~  
5       ~~States.~~

6       ~~(i) References to this title or any provision thereof~~  
7       ~~include regulations issued under this title or the provision~~  
8       ~~thereof in question.~~

9       ~~(j) All reports required under this title and all records~~  
10       ~~of any such reports are specifically exempted from disclosure~~  
11       ~~under section 552 of title 5, United States Code.~~

12       ~~(k) For the purposes of section 1001 of title 18, United~~  
13       ~~States Code, the contents of reports required under any pro-~~  
14       ~~vision of this title are statements and representations in mat-~~  
15       ~~ters within the jurisdiction of an agency of the United~~  
16       ~~States.~~

17       ~~(m) The term "monetary instruments" means coin and~~  
18       ~~currency of the United States, and in addition, such foreign~~  
19       ~~coin and currencies, and such types of checks, bills, notes,~~  
20       ~~bonds, stock transferable by delivery, or other obligations or~~  
21       ~~instruments as the Secretary may by regulation specify for~~  
22       ~~the purposes of the provision of this title to which the regula-~~  
23       ~~tion relates.~~

1 **Sec. 204. Regulations**

2     ~~The Secretary shall prescribe such regulations as he may~~  
3 ~~deem appropriate to carry out the purposes of this title.~~

4 **Sec. 205. Compliance procedures**

5     ~~The Secretary may by regulation require any class of~~  
6 ~~domestic financial institutions to maintain such procedures as~~  
7 ~~he may deem appropriate to assure compliance with the pro-~~  
8 ~~visions of this title. For the purposes of both civil and crimi-~~  
9 ~~nal penalties for violations of this section, a separate viola-~~  
10 ~~tion shall be deemed to occur with respect to each day and~~  
11 ~~each separate office, branch, or place of business in which~~  
12 ~~the violation occurs or continues.~~

13 **Sec. 206. Exemptions**

14     ~~The Secretary may make such exemptions from any re-~~  
15 ~~quirement otherwise imposed under this title as he may deem~~  
16 ~~appropriate. Any such exemption may be conditional or un-~~  
17 ~~conditional, by regulation, order, or licensing, or any com-~~  
18 ~~bination thereof, and may relate to any particular trans-~~  
19 ~~action, to the type or amount (whether or not an amount is~~  
20 ~~specified in this title) of the transaction, to the party or~~  
21 ~~parties or the classification of parties, or to any combination~~  
22 ~~thereof. The Secretary may in his discretion, in any manner~~  
23 ~~giving actual or constructive notice to the parties affected,~~

1 ~~revoke any exemption made under this section. Any such~~  
2 ~~revocation shall remain in effect pending any judicial review.~~

3 **~~Sec. 207. Civil penalty~~**

4 (a) ~~For each willful violation of this title, the Secretary~~  
5 ~~may assess upon any domestic financial institution, and upon~~  
6 ~~any partner, director, officer, or employee thereof who will-~~  
7 ~~fully participates in the violation, a civil penalty not exceed-~~  
8 ~~ing \$1,000.~~

9 (b) ~~In the event of the failure of any person to pay~~  
10 ~~any penalty assessed under this title, a civil action for the~~  
11 ~~recovery thereof may, in the discretion of the Secretary, be~~  
12 ~~brought in the name of the United States.~~

13 **~~Sec. 208. Injunctions~~**

14 ~~Whenever it appears to the Secretary that any person~~  
15 ~~has engaged, is engaged, or is about to engage in any acts or~~  
16 ~~practices constituting a violation of the provisions of this title,~~  
17 ~~or of any order thereunder, he may in his discretion bring an~~  
18 ~~action, in the proper district court of the United States or the~~  
19 ~~proper United States court of any territory or other place sub-~~  
20 ~~ject to the jurisdiction of the United States, to enjoin such acts~~  
21 ~~or practices, and upon a proper showing a permanent or tem-~~  
22 ~~porary injunction or restraining order shall be granted with-~~  
23 ~~out bond. Upon application of the Secretary, any such court~~  
24 ~~may also issue mandatory injunctions commanding any per-~~

1 ~~son to comply with the provisions of this title or any order of~~  
2 ~~the Secretary made in pursuance thereof.~~

3 **~~Sec. 209. Criminal penalty~~**

4 ~~Whoever willfully violates any provision of this title~~  
5 ~~or any regulation under this title shall be fined not more~~  
6 ~~than \$1,000, or imprisoned not more than one year, or both.~~

7 **~~Sec. 210. Additional criminal penalty in certain cases~~**

8 ~~Whoever willfully violates any provision of this title~~  
9 ~~where the violation is knowingly~~

10 ~~(1) committed in furtherance of the commission of~~  
11 ~~any other violation of Federal law, or~~

12 ~~(2) committed as part of a pattern of illegal activ-~~  
13 ~~ity involving transactions exceeding \$100,000 in any~~  
14 ~~twelve-month period~~

15 ~~shall be fined not more than \$500,000 or imprisoned not~~  
16 ~~more than five years, or both.~~

17 **~~Sec. 211. Immunity of witnesses~~**

18 ~~Whenever in the judgment of a United States attorney~~  
19 ~~the testimony of any witness, or the production of books,~~  
20 ~~papers, or other evidence by any witness in any case or~~  
21 ~~proceeding before any grand jury or court of the United~~  
22 ~~States involving any violation of this title is necessary to the~~  
23 ~~public interest, he, upon the approval of the Attorney Gen-~~  
24 ~~eral or his designated representative, may make application~~

1 ~~to the court that the witness be instructed to testify or pro-~~  
2 ~~duce evidence subject to the provisions of this section. Upon~~  
3 ~~order of the court the witness shall not be excused from testi-~~  
4 ~~fying or from producing books, papers, or other evidence on~~  
5 ~~the ground that the testimony or evidence required of him~~  
6 ~~may tend to incriminate him or subject him to a penalty or~~  
7 ~~forfeiture. But no such witness may be prosecuted or sub-~~  
8 ~~jected to any penalty or forfeiture for or on account of any~~  
9 ~~transaction, matter, or thing concerning which he is com-~~  
10 ~~pelled, after having claimed his privilege against self-incrim-~~  
11 ~~ination, to testify or produce evidence, nor may testimony so~~  
12 ~~compelled be used as evidence in any criminal proceeding~~  
13 ~~against him in any court, except a prosecution for perjury or~~  
14 ~~contempt committed while giving testimony or producing~~  
15 ~~evidence under compulsion as provided in this section.~~

## 16 CHAPTER 2—DOMESTIC CURRENCY

### 17 TRANSACTIONS

~~Sec.~~

~~221. Reports of currency transactions required.~~

~~222. Persons required to file reports.~~

~~223. Reporting procedure.~~

#### 18 **Sec. 221. Reports of currency transactions required**

19 Transactions involving any domestic financial institution  
20 shall be reported to the Secretary at such time, in such  
21 manner, and in such detail as the Secretary may require if  
22 they involve the payment, receipt, or transfer of United  
23 States currency, or such other monetary instruments as the



1 Secretary may specify, in such amounts, denominations, or  
2 both, or under such circumstances, as the Secretary shall  
3 by regulation prescribe.

4 **~~Sec. 222. Persons required to file reports~~**

5 The report of any transaction required to be reported  
6 under this chapter shall be signed or otherwise made both  
7 by the domestic financial institution involved and by one  
8 or more of the other parties thereto or participants therein,  
9 as the Secretary may require. If any party to or participant  
10 in the transaction is not an individual acting only for him-  
11 self, the report shall identify the person or persons on whose  
12 behalf the transaction is entered into, and shall be made by  
13 the individuals acting as agents or bailees with respect  
14 thereto.

15 **~~Sec. 223. Reporting procedure~~**

16 (a) The Secretary may in his discretion designate do-  
17 mestic financial institutions, individually or by class, as  
18 agents of the United States to receive reports required under  
19 this chapter, except that an institution which is not insured,  
20 chartered, examined, or registered as such by any agency of  
21 the United States may not be so designated without its con-  
22 sent. The Secretary may suspend or revoke any such desig-  
23 nation for any violation of this Act, section 21 of the Fed-  
24 eral Deposit Insurance Act, or section 411 of the National  
25 Housing Act.

1 ~~(b) Any person (other than an institution designated~~  
2 ~~under subsection (a)) required to file a report under this~~  
3 ~~chapter with respect to a transaction with a domestic finan-~~  
4 ~~cial institution shall file the report with that institution, ex-~~  
5 ~~cept that, if the institution is not designated under subsection~~  
6 ~~(a), the report shall be filed as the Secretary shall prescribe.~~  
7 ~~Domestic financial institutions designated under subsection~~  
8 ~~(a) shall transmit reports filed with them, and shall file their~~  
9 ~~own reports, as the Secretary shall prescribe.~~

10 ~~CHAPTER 3—REPORTS OF EXPORTS AND IMPORTS~~  
11 ~~OF MONETARY INSTRUMENTS~~

~~Sec.~~  
~~231. Reports required.~~  
~~232. Forfeiture.~~  
~~233. Civil liability.~~  
~~234. Remission by the Secretary.~~

12 ~~Sec. 231. Reports required~~

13 ~~(a) Except as provided in subsection (c) of this sec-~~  
14 ~~tion, whoever, whether as principal, agent, or bailee, or by~~  
15 ~~an agent or bailee, knowingly~~

16 ~~(1) transports or causes to be transported monetary~~  
17 ~~instruments~~

18 ~~(A) from any place within the United States to~~  
19 ~~or through any place outside the United States, or~~

20 ~~(B) to any place within the United States~~  
21 ~~from or through any place outside the United States.~~

22 ~~or~~

1       ~~(2) receives monetary instruments at the termina-~~  
2       ~~tion of their transportation to the United States from or~~  
3       ~~through any place outside the United States~~  
4       ~~in an amount exceeding \$5,000 on any one occasion or in~~  
5       ~~an aggregate amount exceeding \$10,000 in any one calen-~~  
6       ~~dar year shall file a report or reports in accordance with~~  
7       ~~subsection (b) of this section.~~

8       ~~(b) Reports required under this section shall be filed at~~  
9       ~~such times and places, and contain such of the following in-~~  
10       ~~formation, in such form and in such detail, as the Secretary~~  
11       ~~may require:~~

12               ~~(1) The legal capacity in which the person filing~~  
13       ~~the report is acting with respect to the monetary instru-~~  
14       ~~ments transported.~~

15               ~~(2) The origin, destination, and route of the~~  
16       ~~transportation.~~

17               ~~(3) Where the monetary instruments are not legally~~  
18       ~~and beneficially owned by the person transporting the~~  
19       ~~same, or is transported for any purpose other than the~~  
20       ~~use in his own behalf of the person transporting the~~  
21       ~~same, the identities of the person from whom the mone-~~  
22       ~~tary instruments are received, or to whom they are to be~~  
23       ~~delivered, or both.~~

24               ~~(4) The amounts and types of monetary instru-~~  
25       ~~ments transported.~~

20

1 ~~(e) Subsection (a) does not apply to any common~~  
2 ~~carrier of passengers in respect of monetary instruments in~~  
3 ~~the possession of its passengers, nor to any common carrier~~  
4 ~~of goods in respect of shipments of monetary instruments~~  
5 ~~not declared to be such by the shipper.~~

6 **~~Sec. 232. Forfeiture~~**

7 ~~(a) Any monetary instruments which are in the process~~  
8 ~~of any transportation with respect to which any report re-~~  
9 ~~quired to be filed under section 231 (1) either has not been~~  
10 ~~filed or contains material omission or misstatements are sub-~~  
11 ~~ject to seizure and forfeiture to the United States.~~

12 ~~(b) For the purpose of this section, monetary instru-~~  
13 ~~ments transported by mail, by any common carrier, or by~~  
14 ~~any messenger or bailee, are in process of transportation from~~  
15 ~~the time they are delivered into the possession of the postal~~  
16 ~~service, common carrier, messenger, or bailee until the time~~  
17 ~~they are delivered into or retained in the possession of the~~  
18 ~~addressee or intended recipient or any agent of the addressee~~  
19 ~~or intended recipient for purposes other than further trans-~~  
20 ~~portation within, or across any border of, the United States.~~

21 **~~Sec. 233. Civil liability~~**

22 ~~The Secretary may assess a civil penalty upon any person~~  
23 ~~who fails to file any report required under section 231, or who~~  
24 ~~files such a report containing any material omission or mis-~~  
25 ~~statement. The amount of the penalty shall not exceed the~~

1 ~~amount of the monetary instruments with respect to whose~~  
2 ~~transportation the report was required to be filed. The liabili-~~  
3 ~~ties imposed by this chapter are in addition to any other~~  
4 ~~liabilities, civil or criminal, except that the liability under~~  
5 ~~this section shall be reduced by any amount actually forfeited~~  
6 ~~under section 232.~~

7 ~~Sec. 234. Remission by the Secretary~~

8 ~~The Secretary may in his discretion remit any forfeiture~~  
9 ~~or penalty under this chapter in whole or in part upon such~~  
10 ~~terms and conditions as he deems reasonable and just.~~

11 ~~CHAPTER 4.—FOREIGN TRANSACTIONS~~

~~Sec.~~

~~241. Records and reports required.~~

~~242. Classification and requirements.~~

12 ~~Sec. 241. Records and reports required~~

13 ~~The Secretary of the Treasury shall by regulation re-~~  
14 ~~quire any resident or citizen of the United States, or person~~  
15 ~~in the United States and doing business therein, who engages~~  
16 ~~in any transaction or maintains any relationship, directly or~~  
17 ~~indirectly, on behalf of himself or another, with a foreign~~  
18 ~~financial agency to maintain records or to file reports, or~~  
19 ~~both, setting forth such of the following information, in such~~  
20 ~~form and in such detail, as the Secretary may require:~~

21 ~~(1) The identities and addresses of the parties to~~  
22 ~~the transaction or relationship.~~

23 ~~(2) The legal capacities in which the parties to~~

1 ~~the transaction or relationship are acting, and the identi-~~  
2 ~~ties of the real parties in interest if one or more of the~~  
3 ~~parties are not acting solely as principals.~~

4 ~~(3) A description of the transaction or relationship~~  
5 ~~including the amounts of money, credit, or other prop-~~  
6 ~~erty involved.~~

7 ~~Sec. 242. Classification and requirements~~

8 ~~With respect to any requirement imposed under this~~  
9 ~~chapter, the Secretary may prescribe~~

10 ~~(1) any reasonable classification of persons subject~~  
11 ~~thereto or exempt therefrom.~~

12 ~~(2) the foreign country or countries as to which~~  
13 ~~any requirement applies or does not apply if, in the~~  
14 ~~judgment of the Secretary, uniform applicability of any~~  
15 ~~such requirement to all foreign countries is unnecessary~~  
16 ~~or undesirable.~~

17 ~~(3) the form, frequency, and manner of filing of~~  
18 ~~any required reports.~~

19 ~~(4) types of transactions or relationships subject to~~  
20 ~~or exempt from any such requirement.~~

21 ~~(5) the magnitude of any transactions, or of values~~  
22 ~~involved in any relationship, subject to any such~~  
23 ~~requirement.~~

24 ~~(6) such other matters as he may deem necessary~~  
25 ~~to the application of this chapter.~~

1     ~~TITLE III—MARGIN REQUIREMENTS~~

2     ~~Sec. 301. Amendment of section 7(a) of the Securities Ex-~~  
3         ~~change Act of 1934~~

4         ~~(a) Section 7(a) of the Securities Exchange Act of~~  
5     ~~1934 (15 U.S.C. 78g(a)) is amended by striking the first~~  
6     ~~sentence and inserting in lieu thereof the following: "For the~~  
7     ~~purpose of preventing the excessive use of credit for the pur-~~  
8     ~~chase or carrying of securities, the Board of Governors of~~  
9     ~~the Federal Reserve System shall from time to time prescribe~~  
10    ~~rules and regulations in accordance with this section. The~~  
11    ~~Board shall prescribe rules and regulations with respect to~~  
12    ~~the amount of credit (regardless of who or where the lender~~  
13    ~~may be) that any person may initially obtain and subse-~~  
14    ~~quently retain on any security (other than an exempted~~  
15    ~~security). The Board shall prescribe rules and regulations~~  
16    ~~with respect to the amount of credit (regardless of who or~~  
17    ~~where the borrower may be) that any person may initially~~  
18    ~~extend and subsequently maintain on any security (other~~  
19    ~~than an exempted security). It shall be unlawful for any~~  
20    ~~person to obtain or retain credit in willful and knowing~~  
21    ~~violation of any rule or regulation under this section. It shall~~  
22    ~~be unlawful for any person to obtain or retain credit in~~  
23    ~~violation, whether or not willful or knowing, of any rule~~  
24    ~~or regulation under this section either on the basis of a~~  
25    ~~material misrepresentation made or participated in by him~~

1 ~~of the purpose for which the credit is to be used, or in an~~  
2 ~~aggregate amount exceeding \$1,000,000 at any one time."~~

3 ~~(b) The amendment made by subsection (a) of this~~  
4 ~~section does not affect the continuing validity of any rule or~~  
5 ~~regulation under section 7 of the Securities Exchange Act of~~  
6 ~~1934 in effect prior to the effective date of the amendment.~~

7 **~~TITLE IV—EFFECTIVE DATES~~**

8 **~~Sec. 401. Effective dates~~**

9 ~~(a) Except as otherwise provided in this section, this~~  
10 ~~Act and the amendments made thereby take effect on the~~  
11 ~~first day of the seventh calendar month which begins after~~  
12 ~~the date of enactment.~~

13 ~~(b) The Secretary of the Treasury may by regulation~~  
14 ~~provide that any provision of title I or II or any amendment~~  
15 ~~made thereby shall be effective on any date not earlier than~~  
16 ~~the publication of the regulation in the Federal Register~~  
17 ~~and not later than the first day of the thirteenth calendar~~  
18 ~~month which begins after the date of enactment.~~

19 ~~(c) The Board of Governors of the Federal Reserve~~  
20 ~~System may by regulation provide that the amendment made~~



1 by title III shall be effective on any date not earlier than  
2 the publication of the regulation in the Federal Register and  
3 not later than the first day of the thirteenth calendar month  
4 which begins after the date of enactment.

5 **TITLE I—FINANCIAL RECORDKEEPING**

<i>Chapter</i>	<i>Sec.</i>
1. <i>INSURED BANKS AND INSURED INSTITUTIONS</i> -----	101
2. <i>OTHER FINANCIAL INSTITUTIONS</i> -----	121

6 **Chapter 1.—INSURED BANKS AND INSURED**  
7 **INSTITUTIONS**

<i>Sec.</i>
101. <i>Retention of records by insured banks.</i>
102. <i>Retention of records by insured institutions.</i>

8 **§ 101. Retention of records by insured banks**

9 *The Federal Deposit Insurance Act is amended (1) by*  
10 *redesignating sections 21 and 22 as 22 and 23, respectively,*  
11 *and (2) by inserting the following new section immediately*  
12 *after section 20:*

13 *SEC. 21. (a)(1) The Congress finds that adequate*  
14 *records maintained by insured banks have a high degree of*  
15 *usefulness in criminal, tax, and regulatory investigations and*  
16 *proceedings. The Congress further finds that microfilm or*  
17 *other reproductions and other records made by banks of*  
18 *checks, as well as records kept by banks of the identity of*  
19 *persons maintaining or authorized to act with respect to*  
20 *accounts therein, have been of particular value in this respect.*

21 *“(2) It is the purpose of this section to require the*

1 *maintenance of appropriate types of records by insured banks*  
2 *in the United States where the Secretary of the Treasury*  
3 *determines that such records may have a high degree of*  
4 *usefulness in criminal, tax, or regulatory investigations or*  
5 *proceedings.*

6 *“(b) The Secretary of the Treasury (referred to in this*  
7 *section as the ‘Secretary’) shall prescribe regulations to carry*  
8 *out the purposes of this section.*

9 *“(c) Each insured bank shall maintain such records*  
10 *and other evidence, in such form as the Secretary shall re-*  
11 *quire, of the identity of each person having an account in*  
12 *the United States with the bank and of each individual au-*  
13 *thorized to sign checks, make withdrawals, or otherwise act*  
14 *with respect to any such account. The Secretary may make*  
15 *such exemptions from any requirement otherwise imposed*  
16 *under this subsection as he deems appropriate.*

17 *“(d) Each insured bank shall make, to the extent that*  
18 *the regulations of the Secretary so require—*

19 *“(1) a microfilm or other reproduction of each*  
20 *check, draft, or similar instrument drawn on it and pre-*  
21 *sented to it for payment; and*

22 *“(2) a record of each check, draft, or similar in-*  
23 *strument received by it for deposit or collection, together*  
24 *with an identification of the party for whose account it*  
25 *is to be deposited or collected, unless the bank has*

1       *already made a record of the party's identity pursuant to*  
2       *subsection (c).*

3       “(e) *Whenever any individual engages (whether as*  
4       *principal, agent, or bailee) in any transaction with an in-*  
5       *sured bank which is required to be reported under the Cur-*  
6       *rency and Foreign Transactions Reporting Act, the bank*  
7       *shall require and retain such evidence of the identity of that*  
8       *individual as the Secretary may prescribe as appropriate*  
9       *under the circumstances.*

10       “(f) *In addition to or in lieu of the records and evi-*  
11       *dence otherwise referred to in this section, each insured bank*  
12       *shall maintain such records and evidence as the Secretary*  
13       *may prescribe to carry out the purposes of this section.*

14       “(g) *Any type of record or evidence required under*  
15       *this section shall be retained for such period as the Secretary*  
16       *may prescribe for the type in question. Any period so pre-*  
17       *scribed shall not exceed six years unless the Secretary deter-*  
18       *mines, having regard for the purposes of this section, that a*  
19       *longer period is necessary in the case of a particular type of*  
20       *record or evidence.*

21       “(h) *The Secretary shall include in his annual report*  
22       *to the Congress information on his implementation of the*  
23       *authority conferred by this section and any similar authority*  
24       *with respect to recordkeeping or reporting requirements con-*  
25       *ferred by other provisions of law.”*

1   § 102. *Retention of records by insured institutions*

2       *Title IV of the National Housing Act is amended by*  
3   *adding at the end thereof the following new section:*

4       “*SEC. 411. The Secretary of the Treasury shall pre-*  
5   *scribe such regulations as may be appropriate to carry out,*  
6   *with respect to insured institutions, the purposes set forth*  
7   *in section 21 of the Federal Deposit Insurance Act with*  
8   *respect to insured banks.*”

9       **Chapter 2.—OTHER FINANCIAL INSTITUTIONS**

*Sec.*

*121. Congressional findings and purpose.*

*122. Ownership and control.*

*123. Authority of Secretary.*

*124. Injunctions.*

*125. Civil penalties.*

*126. Criminal penalty.*

*127. Additional criminal penalty in certain cases.*

*128. Compliance.*

*129. Administrative procedure.*

10   § 121. *Congressional findings and purpose*

11       (a) *The Congress finds that certain records maintained*  
12   *by businesses engaged in the functions described in section*  
13   *123(b) of this Act have a high degree of usefulness in crim-*  
14   *inal, tax, and regulatory investigations and proceedings. The*  
15   *Congress further finds that the power to require reports of*  
16   *changes in the ownership, control, and managements of types*  
17   *of financial institutions referred to in section 122 of this Act*  
18   *may be necessary for the same purpose.*

19       (b) *It is the purpose of this chapter to require the main-*  
20   *tenance of appropriate types of records and the making of*

1 *appropriate reports by such businesses in the United States*  
2 *where the Secretary of the Treasury determines that such*  
3 *records or reports may have a high degree of usefulness in*  
4 *criminal, tax, or regulatory investigations of proceedings.*

5 **§ 122. Ownership and control**

6 *The Secretary may by regulation require any type of*  
7 *uninsured bank or uninsured institution to make such reports*  
8 *as the Secretary may require in respect of its ownership, con-*  
9 *trol, and management and any changes therein.*

10 **§ 123. Authority of Secretary**

11 *(a) The Secretary may by regulation require any*  
12 *uninsured bank or uninsured institution or any person engag-*  
13 *ing in the business of carrying on any of the functions in the*  
14 *United States referred to in subsection (b) of this section—*

15 *(1) to require, retain, or maintain, with respect to*  
16 *its functions as an uninsured bank or uninsured institu-*  
17 *tion or its functions referred to in subsection (b), any*  
18 *records or evidence of any type which the Secretary is*  
19 *authorized under section 21 of the Federal Deposit*  
20 *Insurance Act to require insured banks to require, re-*  
21 *tain, or maintain; and*

22 *(2) to maintain procedures to assure compliance*  
23 *with requirements imposed under this chapter. For*  
24 *the purposes of any civil or criminal penalty, a separate*  
25 *violation of any requirement under this paragraph oc-*

1        *curs with respect to each day and each separate office,*  
2        *branch, or place of business in which the violation occurs*  
3        *or continues.*

4        *(b) The authority of the Secretary under this section*  
5        *extends to any person engaging in the business of carrying*  
6        *on any of the following functions:*

7            *(1) Issuing or redeeming checks, travelers' checks, or*  
8            *similar instruments, except as an incident to the conduct of*  
9            *its own nonfinancial business.*

10          *(2) Transferring funds or credits domestically or inter-*  
11          *nationally.*

12          *(3) Operating a currency exchange or otherwise dealing*  
13          *in foreign currencies or credits.*

14          *(4) Operating a credit card system.*

15          *(5) Performing such similar, related, or substitute func-*  
16          *tions for any of the foregoing or for banking as may be*  
17          *specified by the Secretary in regulations.*

18        **§ 124. Injunctions**

19        *Whenever it appears to the Secretary that any person*  
20        *has engaged, is engaged, or is about to engage in any acts*  
21        *or practices constituting a violation of any regulation under*  
22        *this chapter, he may in his discretion bring an action, in the*  
23        *proper district court of the United States or the proper*  
24        *United States court of any territory or other place subject*  
25        *to the jurisdiction of the United States, to enjoin such acts*  
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1 *or practices, and upon a proper showing a permanent or*  
2 *temporary injunction or restraining order shall be granted*  
3 *without bond. Upon application of the Secretary, any such*  
4 *court may also issue mandatory injunctions commanding*  
5 *any person to comply with any regulation of the Secretary*  
6 *under this chapter.*

7 **§ 125. Civil penalties**

8 *(a) For each willful violation of any regulation under*  
9 *this chapter, the Secretary may assess upon any person to*  
10 *which the regulation applies, and, if such person is a partner-*  
11 *ship, corporation, or other entity, upon any partner, director,*  
12 *officer, or employee thereof who willfully participates in the*  
13 *violation, a civil penalty not exceeding \$1,000.*

14 *(b) In the event of the failure of any person to pay any*  
15 *penalty assessed under this section, a civil action for the*  
16 *recovery thereof may, in the discretion of the Secretary, be*  
17 *brought in the name of the United States.*

18 **§ 126. Criminal penalty**

19 *Whoever willfully violates any regulation under this*  
20 *chapter shall be fined not more than \$1,000 or imprisoned*  
21 *not more than one year, or both.*

22 **§ 127. Additional criminal penalty in certain cases**

23 *Whoever willfully violates any regulation under this*  
24 *chapter, section 21 of the Federal Deposit Insurance Act, or*

1 *section 411 of the National Housing Act, where the viola-*  
 2 *tion is committed in furtherance of the commission of any*  
 3 *violation of Federal law punishable by imprisonment for*  
 4 *more than one year, shall be fined not more than \$10,000*  
 5 *or imprisoned not more than five years, or both.*

6 **§ 128. Compliance**

7 *The Secretary shall have the responsibility to assure*  
 8 *compliance with the requirements of this title and to the*  
 9 *greatest extent possible delegate such responsibility to the*  
 10 *appropriate bank supervisory agency, or other supervisory*  
 11 *agency.*

12 **§ 129. Administrative procedure**

13 *The administrative procedure and judicial review pro-*  
 14 *visions of subchapter II of chapter 5 and chapter 7 of title 5,*  
 15 *United States Code, shall apply to all proceedings under this*  
 16 *chapter, section 21 of the Federal Deposit Insurance Act,*  
 17 *and section 411 of the National Housing Act.*

18 **TITLE II—REPORTS OF CURRENCY AND**  
 19 **FOREIGN TRANSACTIONS**

<i>Chapter</i>	<i>Sec.</i>
1. GENERAL PROVISIONS.....	201
2. DOMESTIC CURRENCY TRANSACTIONS.....	221
3. REPORTS OF EXPORTS AND IMPORTS OF MONETARY INSTRUMENTS.....	231
4. FOREIGN TRANSACTIONS.....	241



1                   **Chapter 1.—GENERAL PROVISIONS**

*Sec.*

201. *Short title.*

202. *Purposes.*

203. *Definitions and rules of construction.*

204. *Regulations.*

205. *Compliance.*

206. *Exemptions.*

207. *Civil penalty.*

208. *Injunctions.*

209. *Criminal penalty.*

210. *Additional criminal penalty in certain cases.*

211. *Immunity of witnesses.*

212. *Availability of information to other Federal agencies.*

213. *Administrative procedure.*

2   **§ 201. Short title**

3           *This title may be cited as the “Currency and Foreign*  
4 *Transactions Reporting Act”.*

5   **§ 202. Purposes**

6           *It is the purpose of this title to require certain reports*  
7 *or records where such reports or records have a high degree*  
8 *of usefulness in criminal, tax, or regulatory investigations*  
9 *or proceedings.*

10   **§ 203. Definitions and rules of construction**

11           *(a) The definitions and rules of construction set forth*  
12 *in this section apply for the purposes of this title.*

13           *(b) The term “Secretary” means the Secretary of the*  
14 *Treasury.*

15           *(c) The term “person” includes natural persons, part-*

1    *nerships, trusts, estates, associations, corporations, and all*  
2    *entities cognizable as legal personalities. The term also in-*  
3    *cludes any governmental department or agency specified by*  
4    *the Secretary either for the purpose of this title generally or*  
5    *any particular requirement thereunder.*

6        *(d) The term "United States", used in a geographical*  
7    *sense, includes the States and the District of Columbia, and*  
8    *to the extent the Secretary shall by regulation specify, either*  
9    *for the purposes of this title generally or any particular*  
10   *requirement thereunder, the Commonwealth of Puerto Rico,*  
11   *the possessions of the United States, United States military*  
12   *establishments, and United States diplomatic establishments.*

13        *(e) The term "financial institution" means any person*  
14   *which does business in any one or more of the following*  
15   *capacities:*

16            *(1) an insured bank as defined in section 3 of*  
17        *the Federal Deposit Insurance Act;*

18            *(2) a commercial bank or trust company;*

19            *(3) a private banker;*

20            *(4) an agency or a branch within the United States*  
21        *of any foreign bank;*

22            *(5) an insured institution as defined in section*  
23        *401 of the National Housing Act;*

24            *(6) a savings bank, building and loan association,*  
25        *credit union, industrial bank, or other thrift institution;*

1           (7) a broker or dealer registered with the Securi-  
2       ties and Exchange Commission under the Securities  
3       Exchange Act of 1934;

4           (8) a broker or dealer in securities or commodities;

5           (9) an investment banker or investment company;

6           (10) a currency exchange;

7           (11) an issuer, redeemer, or casher of travelers'  
8       checks, checks, money orders, or similar instruments;

9           (12) an operator of a credit card system;

10          (13) an insurance company;

11          (14) a dealer in precious metals, stones, or jewels;

12          (15) a pawnbroker;

13          (16) a loan or finance company;

14          (17) a travel agency;

15          (18) a licensed transmitter of funds;

16          (19) a telegraph company;

17          (20) a Federal, State, or local government insti-  
18       tution which performs any of the functions of any of the  
19       businesses listed above; or

20          (21) any other type of business or institution per-  
21       forming similar related or substitute functions specified  
22       by the Secretary by regulation for the purposes of the  
23       provisions of this title to which the regulation relates.

24       (f) The term "domestic", used with reference to institu-  
25       tions or agencies, limits the applicability of the provision

1 *wherein it appears to such institutions or agencies to the ex-*  
2 *tent that they perform any functions as such within the*  
3 *United States.*

4 (g) *The term "financial agency" means any person*  
5 *which acts in the capacity of a financial institution or in*  
6 *the capacity of a bailee, depository, trustee, agent, or in*  
7 *any other similar capacity with respect to money, credit,*  
8 *securities, or gold or transactions therein, on behalf of any*  
9 *person other than a government, a monetary or financial*  
10 *authority when acting as such, or an international financial*  
11 *institution of which the United States is a member.*

12 (h) *The term "foreign", used with reference to insti-*  
13 *tutions or agencies, limits the applicability of the provision*  
14 *wherein it appears to the extent that they perform any func-*  
15 *tions as such outside the United States.*

16 (i) *References to this title or any provision thereof*  
17 *include regulations issued under this title or the provision*  
18 *thereof in question.*

19 (j) *All reports required under this title and all records*  
20 *of any such reports are specifically exempted from disclosure*  
21 *under section 552 of title 5, United States Code.*

22 (k) *For the purposes of section 1001 of title 18, United*  
23 *States Code, the contents of reports required under any pro-*  
24 *vision of this title are statements and representations in mat-*

1 *ters within the jurisdiction of an agency of the United*  
2 *States.*

3 *(l) The term "monetary instruments" means coin and*  
4 *currency of the United States, and in addition, such foreign*  
5 *coin and currencies, and such types of travelers' checks,*  
6 *bearer negotiable instruments, and bearer investment securi-*  
7 *ties, or their equivalent as the Secretary may by regulation*  
8 *specify for the purposes of the provision of this title to which*  
9 *the regulation relates.*

10 **§ 204. Regulations**

11 *The Secretary shall prescribe such regulations as he may*  
12 *deem appropriate to carry out the purposes of this title.*

13 **§ 205. Compliance**

14 *(a) The Secretary shall have the responsibility to assure*  
15 *compliance with the requirements of this title and to the great-*  
16 *est extent possible delegate such responsibility to the appro-*  
17 *priate bank supervisory agency, or other supervisory agency.*

18 *(b) The Secretary may by regulation require any class of*  
19 *domestic financial institutions to maintain such procedures as*  
20 *he may deem appropriate to assure compliance with the pro-*  
21 *visions of this title. For the purposes of both civil and criminal*  
22 *penalties for violations of this section, a separate violation*  
23 *shall be deemed to occur with respect to each day and each*

1 *separate office, branch, or place of business in which the*  
2 *violation occurs or continues.*

3 **§ 206. Exemptions**

4 *The Secretary may make such exemptions from any*  
5 *requirement otherwise imposed under this title as he may*  
6 *deem appropriate. Any such exemption may be conditional*  
7 *or unconditional, by regulation, order, or licensing, or any*  
8 *combination thereof, and may relate to any particular trans-*  
9 *action, to the type or amount of the transaction, to the party*  
10 *or parties or the classification of parties, or to any combina-*  
11 *tion thereof. The Secretary may in his discretion, in any*  
12 *manner giving actual or constructive notice to the parties*  
13 *affected, revoke any exemption made under this section. Any*  
14 *such revocation shall remain in effect pending any judicial*  
15 *review.*

16 **§ 207. Civil penalty**

17 *(a) For each willful violation of this title, the Secretary*  
18 *may assess upon any domestic financial institution, and upon*  
19 *any partner, director, officer, or employee thereof who will-*  
20 *fully participates in the violation, a civil penalty not ex-*  
21 *ceeding \$1,000.*

22 *(b) In the event of the failure of any person to pay*  
23 *any penalty assessed under this title, a civil action for the*  
24 *recovery thereof may, in the discretion of the Secretary, be*  
25 *brought in the name of the United States.*

1    **§ 208. Injunctions**

2           *Whenever it appears to the Secretary that any person*  
3    *has engaged, is engaged, or is about to engage in any acts*  
4    *or practices constituting a violation of the provisions of this*  
5    *title, or of any order thereunder, he may in his discretion*  
6    *bring an action, in the proper district court of the United*  
7    *States or the proper United States court of any territory*  
8    *or other place subject to the jurisdiction of the United States,*  
9    *to enjoin such acts or practices, and upon a proper showing*  
10   *a permanent or temporary injunction or restraining order*  
11   *shall be granted without bond. Upon application of the Sec-*  
12   *retary, any such court may also issue mandatory injunctions*  
13   *commanding any person to comply with the provisions of*  
14   *this title or any order of the Secretary made in pursuance*  
15   *thereof.*

16   **§ 209. Criminal penalty**

17           *Whoever willfully violates any provision of this title*  
18    *or any regulation under this title shall be fined not more*  
19    *than \$1,000, or imprisoned not more than one year, or both.*

20   **§ 210. Additional criminal penalty in certain cases**

21           *Whoever willfully violates any provision of this title*  
22    *where the violation is—*

23                (1) *committed in furtherance of the commission of*  
24            *any other violation of Federal law, or*

25                (2) *committed as part of a pattern of illegal ac-*

1       tivity involving transactions exceeding \$100,000 in  
2       any twelve-month period,  
3       shall be fined not more than \$500,000 or imprisoned not  
4       more than five years, or both.

5       **§ 211. Immunity of witnesses**

6       Whenever a witness refuses on the basis of his privilege  
7       against self-incrimination, to testify or provide other informa-  
8       tion in a proceeding involving any violation of this title be-  
9       fore or ancillary to—

10               (1) a court or grand jury of the United States,

11               (2) an agency of the United States, or

12               (3) either House of Congress, a joint committee of  
13       the two Houses, or a committee or a subcommittee of either  
14       House,

15       and the person presiding over the proceeding communicates  
16       to the witness an order requiring him to give testimony or pro-  
17       vide other information, the witness may not refuse to comply  
18       with the order on the basis of his privilege against self-in-  
19       crimination. No such testimony or other information so com-  
20       pelled under the order or evidence or other information which  
21       is obtained by the exploitation of such testimony may be used  
22       against the witness in any criminal case, except a prosecution  
23       for perjury, giving a false statement, or otherwise failing to  
24       comply with the order.



1    § 212. *Availability of information to other Federal agencies*

2           *The Secretary shall, upon such conditions and pursuant*  
3    *to such procedures as he may by regulation prescribe, make*  
4    *any information set forth in reports filed pursuant to this*  
5    *title available for a purpose consistent with the provisions of*  
6    *this title to any other department or agency of the Federal*  
7    *Government on the request of the head of such department*  
8    *or agency.*

9    § 213. *Administrative procedure*

10           *Subject to section 203(j), the administrative procedure*  
11    *and judicial review provisions of subchapter II of chapter*  
12    *5 and chapter 7 of title 5, United States Code, shall apply*  
13    *to all proceedings under this title.*

14    **Chapter 2.—DOMESTIC CURRENCY TRANSACTIONS**

*Sec.*

*221. Reports of currency transactions required.*

*222. Persons required to file reports..*

*223. Reporting procedure.*

15    § 221. *Reports of currency transactions required*

16           *Transactions involving any domestic financial institution*  
17    *shall be reported to the Secretary at such time, in such man-*  
18    *ner, and in such detail as the Secretary may require if they*  
19    *involve the payment, receipt, or transfer of United States*  
20    *currency, or such other monetary instruments as the Secre-*  
21    *tary may specify, in such amounts, denominations, or both,*

1 or under such circumstances, as the Secretary shall by regu-  
2 lation prescribe.

3 **§ 222. Persons required to file reports**

4 The report of any transaction required to be reported  
5 under this chapter shall be signed or otherwise made both  
6 by the domestic financial institution involved and by one or  
7 more of the other parties thereto or participants therein, as  
8 the Secretary may require. If any party to or participant in  
9 the transaction is not an individual acting only for himself,  
10 the report shall identify the person or persons on whose be-  
11 half the transaction is entered into, and shall be made by the  
12 individuals acting as agents or bailees with respect thereto.

13 **§ 223. Reporting procedure**

14 (a) The Secretary may in his discretion designate  
15 domestic financial institutions, individually or by class, as  
16 agents of the United States to receive reports required under  
17 this chapter, except that an institution which is not insured,  
18 chartered, examined, or registered as such by any agency  
19 of the United States may not be so designated without its  
20 consent. The Secretary may suspend or revoke any such  
21 designation for any violation of this Act or section 21 of  
22 the Federal Deposit Insurance Act, or section 411 of the  
23 National Housing Act.

24 (b) Any person (other than an institution designated  
25 under subsection (a)) required to file a report under this

1 *chapter with respect to a transaction with a domestic finan-*  
2 *cial institution shall file the report with that institution,*  
3 *except that (1), if the institution is not designated under*  
4 *subsection (a), the report shall be filed as the Secretary shall*  
5 *prescribe, and (2) any such person may, at his election and*  
6 *in lieu of filing the report in the manner hereinabove pre-*  
7 *scribed, file the report with the Secretary. Domestic financial*  
8 *institutions designated under subsection (a) shall transmit*  
9 *reports filed with them, and shall file their own reports, as the*  
10 *Secretary shall prescribe.*

11 **Chapter 3.—REPORTS OF EXPORTS AND IMPORTS**  
12 **OF MONETARY INSTRUMENTS**

*Sec.*

*231. Reports required.*

*232. Forfeiture.*

*233. Civil liability.*

*234. Remission by the Secretary.*

*235. Enforcement authority.*

13 **§ 231. Reports required**

14 *(a) Except as provided in subsection (c) of this section,*  
15 *whoever, whether as principal, agent, or bailee, or by an*  
16 *agent or bailee, knowingly—*

17 *(1) transports or causes to be transported monetary*  
18 *instruments—*

19 *(A) from any place within the United States to*  
20 *or through any place outside the United States, or*

21 *(B) to any place within the United States from*  
22 *or through any place outside the United States, or*

1           (2) *receives monetary instruments at the termina-*  
2           *tion of their transportation to the United States from or*  
3           *through any place outside the United States*  
4           *in a namount exceeding \$5,000 on any one occasion shall file*  
5           *a report or reports in accordance with subsection (b) of this*  
6           *section.*

7           (b) *Reports required under this section shall be filed*  
8           *at such times and places, and may contain such of the follow-*  
9           *ing information and any additional information, in such form*  
10          *and in such detail, as the Secretary may require:*

11          (1) *The legal capacity in which the person filing the*  
12          *report is acting with respect to the monetary instruments*  
13          *transported.*

14          (2) *The origin, destination, and route of the transpor-*  
15          *tation.*

16          (3) *Where the monetary instruments are not legally*  
17          *and beneficially owned by the person transporting the same,*  
18          *or are transported for any purpose other than the use in his*  
19          *own behalf of the person transporting the same, the identities*  
20          *of the person from whom the monetary instruments are re-*  
21          *ceived, or to whom they are to be delivered, or both.*

22          (4) *The amounts and types of monetary instruments*  
23          *transported.*

24          (c) *Subsection (a) does not apply to any common car-*  
25          *rier of passengers in respect of monetary instruments in the*

1 *possession of its passengers, nor to any common carrier of*  
2 *goods in respect of shipments of monetary instruments not*  
3 *declared to be such by the shipper.*

4 **§ 232. Forfeiture**

5 *(a) Any monetary instruments which are in the process*  
6 *of any transportation with respect to which any report*  
7 *required to be filed under section 231(1) either has not*  
8 *been filed or contains material omissions or misstatements*  
9 *are subject to seizure and forfeiture to the United States.*

10 *(b) For the purpose of this section, monetary instru-*  
11 *ments transported by mail, by any common carrier, or by*  
12 *any messenger or bailee, are in process of transportation*  
13 *from the time they are delivered into the possession of the*  
14 *postal service, common carrier, messenger, or bailee until*  
15 *the time they are delivered into or retained in the possession*  
16 *of the addressee or intended recipient or any agent of the*  
17 *addressee or intended recipient for purposes other than further*  
18 *transportation within, or across any border of, the United*  
19 *States.*

20 **§ 233. Civil liability**

21 *The Secretary may assess a civil penalty upon any per-*  
22 *son who fails to file any report required under section 231, or*  
23 *who files such a report containing any material omission or*  
24 *misstatement. The amount of the penalty shall not exceed the*  
25 *amount of the monetary instruments with respect to whose*

1 *transportation the report was required to be filed. The liabili-*  
2 *ties imposed by this chapter are in addition to any other*  
3 *liabilities, civil or criminal, except that the liability under this*  
4 *section shall be reduced by any amount actually forfeited*  
5 *under section 232.*

6 **§ 234. Remission by the Secretary**

7 *The Secretary may in his discretion remit any forfeiture*  
8 *or penalty under this chapter in whole or in part upon such*  
9 *terms and conditions as he deems reasonable and just.*

10 **§ 235. Enforcement authority**

11 *(a) If the Secretary has reason to believe that monetary*  
12 *instruments are in the process of transportation and with re-*  
13 *spect to which a report required under section 231 has not been*  
14 *filed or contains material omissions or misstatements, he may*  
15 *apply to any court of competent jurisdiction for a search war-*  
16 *rant. Upon a showing of probable cause, the court may issue a*  
17 *warrant authorizing the search of any or all of the following:*

18 *(1) One or more designated persons.*

19 *(2) One or more designated or described places or*  
20 *premises.*

21 *(3) One or more designated or described letters,*  
22 *parcels, packages, or other physical objects.*

23 *(4) One or more designated or described vehicles.*

24 *Any application for a search warrant pursuant to this section*

1 shall be accompanied by allegations of fact supporting the  
2 application.

3 (b) This section is not in derogation of the authority of  
4 the Secretary under any other law.

5 **Chapter 4.—FOREIGN TRANSACTIONS**

*Sec.*

*241. Records required.*

*242. Classifications and requirements.*

6 **§ 241. Records required**

7 (a) The Secretary of the Treasury, having due regard  
8 for the need to avoid impeding or controlling the export or  
9 import of currency or other monetary instruments and hav-  
10 ing due regard also for the need to avoid burdening unreason-  
11 ably persons who legitimately engage in transactions with  
12 foreign financial agencies, may by regulation require any  
13 resident or citizen of the United States, or person in the  
14 United States and doing business therein, who engages in  
15 any transaction or maintains any relationship, directly or  
16 indirectly, on behalf of himself or another, with a foreign  
17 financial agency to maintain records containing such of the  
18 following information, in such form and in such detail, as  
19 the Secretary may require:

20 (1) The identities and addresses of the parties to the  
21 transaction or relationship.

22 (2) The legal capacities in which the parties to the  
23 transaction or relationship are acting, and the identities of

1 *the real parties in interest if one or more of the parties are*  
2 *not acting solely as principals.*

3 *(3) A description of the transaction or relationship in-*  
4 *cluding the amounts of money, credit, or other property*  
5 *involved.*

6 *(b) No person required to maintain records under this*  
7 *section shall be required to produce or otherwise disclose the*  
8 *contents of the records except in compliance with a subpoena*  
9 *or summons duly authorized and issued or as may otherwise*  
10 *be required by law.*

11 **§ 242. Classifications and requirements**

12 *The Secretary may prescribe:*

13 *(1) Any reasonable classification of persons subject to*  
14 *or exempt from any requirement imposed under section 241.*

15 *(2) The foreign country or countries as to which any*  
16 *requirement imposed under section 241 applies or does*  
17 *not apply if, in the judgment of the Secretary, uniform ap-*  
18 *plicability of any such requirement to all foreign countries*  
19 *is unnecessary or undesirable.*

20 *(3) The magnitude of transactions subject to any re-*  
21 *quirement imposed under section 241.*

22 *(4) Types of transactions subject to or exempt from any*  
23 *requirement imposed under section 241.*

24 *(5) Such other matters as he may deem necessary to the*  
25 *application of this chapter.*



1           *TITLE III—MARGIN REQUIREMENTS*

2   § 301. *Amendment of section 7 of the Securities Ex-*  
3           *change Act of 1934*

4       (a) *Section 7 of the Securities Exchange Act of 1934*  
5       *(15 U.S.C. 78g) is amended by adding at the end thereof*  
6       *the following new subsection:*

7       “(f) (1) *It is unlawful for any United States person, or*  
8       *any foreign person controlled by a United States person or*  
9       *acting on behalf of or in conjunction with such person, to*  
10       *obtain, receive, or enjoy the beneficial use of a loan or other*  
11       *extension of credit from any lender (without regard to*  
12       *whether the lender's office or place of business is in a State or*  
13       *the transaction occurred in whole or in part within a State)*  
14       *for the purpose of (A) purchasing or carrying United States*  
15       *securities, or (B) purchasing or carrying within the United*  
16       *States of any other securities, if, under this section or rules*  
17       *and regulations prescribed thereunder, the loan or other*  
18       *credit transaction is prohibited or would be prohibited if it*  
19       *had been made or the transaction had otherwise occurred in a*  
20       *lender's office or other place of business in a State.*

21       “(2) *For the purposes of this subsection—*

22           “(A) *The term ‘United States person’ includes a*  
23           *person which is organized under the laws of any State*  
24           *or, in the case of a natural person, a citizen or resident*  
25           *of the United States; a domestic estate; or a trust in*

1       *which one or more of the foregoing persons has a cumula-*  
2       *tive direct or indirect beneficial interest in excess of 50*  
3       *per centum of the value of the trust.*

4       “(B) The term ‘United States security’ means a  
5       security (other than an exempted security) issued by a  
6       person incorporated under the laws of any State, or  
7       whose principal place of business is within a State.

8       “(C) The term ‘foreign person controlled by a  
9       United States person’ includes any noncorporate entity in  
10      which United States persons directly or indirectly have  
11      more than a 50 per centum beneficial interest, and any  
12      corporation in which one or more United States persons,  
13      directly or indirectly, own stock possessing more than 50  
14      per centum of the total combined voting power of all  
15      classes of stock entitled to vote, or more than 50 per cen-  
16      tum of the total value of shares of all classes of stock.

17      “(3) The Board of Governors of the Federal Reserve  
18      System may, in its discretion and with due regard for the  
19      purposes of this section, by rule or regulation exempt any  
20      class of United States persons or foreign persons controlled  
21      by a United States person from the application of this  
22      subsection.”

23      (b) The amendment made by subsection (a) of this  
24      section does not affect the continuing validity of any rule  
25      or regulation under section 7 of the Securities Exchange Act  
26      of 1934 in effect prior to the effective date of the amendment.

*TITLE IV—EFFECTIVE DATES*

*§ 401. Effective dates*

*(a) Except as otherwise provided in this section, this Act and the amendments made thereby take effect on the first day of the seventh calendar month which begins after the date of enactment.*

*(b) The Secretary of the Treasury may by regulation provide that any provision of title I or II or any amendment made thereby shall be effective on any date not earlier than the publication of the regulation in the Federal Register and not later than the first day of the thirteenth calendar month which begins after the date of enactment.*

*(c) The Board of Governors of the Federal Reserve System may by regulation provide that the amendment made by title III shall be effective on any date not earlier than the publication of the regulation in the Federal Register and not later than the first day of the thirteenth calendar month which begins after the date of enactment.*

*TITLE V—PROVISIONS RELATING TO URBAN  
MASS TRANSPORTATION*

*SEC. 501. The Congress finds that the rapid urbanization and the continued dispersal of population and activities within urban areas has made the ability of all citizens to move quickly and at a reasonable cost an urgent national problem; that new directions in the Federal assistance programs for urban mass transportation are imperative if efficient, safe, and*

1 convenient transportation compatible with soundly planned  
2 urban areas is to be achieved; and that success will require  
3 a Federal commitment for the expenditure of at least \$10,-  
4 000,000,000 over a twelve-year period to permit confident  
5 and continuing local planning, and greater flexibility in pro-  
6 gram administration. It is the purpose of this title to create  
7 a partnership which permits the local community, through  
8 Federal financial assistance, to exercise the initiative neces-  
9 sary to satisfy its urban mass transportation requirements.

10 SEC. 502. Section 3 of the Urban Mass Transportation  
11 Act of 1964, as amended (49 U.S.C. 1602), is amended  
12 by—

13 (1) redesignating subsection (c) as subsection  
14 (e); and

15 (2) striking out subsections (a) and (b) and  
16 inserting in lieu thereof subsections (a), (b), (c), and  
17 (d), as follows:

18 “(a) The Secretary is authorized, in accordance with  
19 the provisions of this title and on such terms and conditions  
20 as he may prescribe, to make grants or loans (directly,  
21 through the purchase of securities or equipment trust certifi-  
22 cates, or otherwise) to assist States and local public bodies  
23 and agencies thereof in financing the acquisition, construction,  
24 reconstruction, and improvement of facilities and equipment  
25 for use, by operation or lease or otherwise, in mass trans-

1 *portation service in urban areas and in coordinating such*  
2 *service with highway and other transportation in such areas.*  
3 *Eligible facilities and equipment may include land (but not*  
4 *public highways), buses and other rolling stock, and other*  
5 *real and personal property needed for an efficient and co-*  
6 *ordinated mass transportation system. No grant or loan shall*  
7 *be provided under this section unless the Secretary deter-*  
8 *mines that the applicant has or will have—*

9           *“(1) the legal, financial, and technical capacity to*  
10           *carry out the proposed project; and*

11           *“(2) satisfactory continuing control, through opera-*  
12           *tion or lease or otherwise, over the use of the facilities*  
13           *and equipment.*

14 *The Secretary may make loans for real property acquisition*  
15 *pursuant to subsection (b) upon a determination, which*  
16 *shall be in lieu of the preceding determinations, that the real*  
17 *property is reasonably expected to be required in connection*  
18 *with a mass transportation system and that it will be used*  
19 *for that purpose within a reasonable period. No grant or*  
20 *loan funds shall be used for payment of ordinary govern-*  
21 *mental or nonproject operating expenses. An applicant for*  
22 *assistance under this section shall furnish a copy of its appli-*  
23 *cation to the Governor of each State affected concurrently*  
24 *with submission to the Secretary. If, within 30 days there-*  
25 *after, the Governor submits comments to the Secretary, the*

1 *Secretary must consider the comments before taking final*  
2 *action on the application.*  
3       *“(b) The Secretary is authorized to make loans under*  
4 *this section to States or local public bodies and agencies*  
5 *thereof to finance the acquisition of real property and in-*  
6 *terests in real property for use as rights-of-way, station sites,*  
7 *and related purposes, on urban mass transportation systems,*  
8 *including the net cost of property management and relocation*  
9 *payments made pursuant to section 7. Each loan agreement*  
10 *under this subsection shall provide for actual construction*  
11 *of urban mass transportation facilities on acquired real pro-*  
12 *erty within a period not exceeding ten years following the*  
13 *fiscal year in which the agreement is made. Each agreement*  
14 *shall provide that in the event acquired real property or in-*  
15 *terests in real property are not to be used for the purposes*  
16 *for which acquired, an appraisal of current value will be*  
17 *made at the time of that determination, which shall not be*  
18 *later than ten years following the fiscal year in which*  
19 *the agreement is made. Two-thirds of the increase in value,*  
20 *if any, over the original cost of the real property shall be*  
21 *paid to the Secretary for credit to miscellaneous receipts*  
22 *of the Treasury. Repayment of amounts loaned shall be cred-*  
23 *ited to miscellaneous receipts of the Treasury. A loan made*  
24 *under this subsection shall be repayable within ten years from*  
25 *the date of the loan agreement or on the date a grant agree-*

1   ment for actual construction of facilities on the acquired real  
2   property is made, whichever date is earlier. An applicant for  
3   assistance under this subsection shall furnish a copy of its  
4   application to the comprehensive planning agency of the  
5   community affected concurrently with submission to the Sec-  
6   retary. If within thirty days thereafter the comprehensive  
7   planning agency of the community affected submits comments  
8   to the Secretary, the Secretary must consider the comments  
9   before taking final action on the application.

10       “(c) No loan shall be made under this section for any  
11   project for which a grant is made under this section, except—

12           “(1) loans may be made for projects as to which  
13       grants are made for relocation payments; and

14           “(2) project grants may be made even though the  
15       real property involved in the project has been or will be  
16       acquired as a result of a loan under subsection (b).

17   Interest on loans made under this section shall be at a rate  
18   not less than (i) a rate determined by the Secretary of the  
19   Treasury, taking into consideration the current average mar-  
20   ket yield on outstanding marketable obligations of the United  
21   States with remaining periods to maturity comparable to  
22   the average maturities of such loans adjusted to the nearest  
23   one-eighth of 1 per centum plus (ii) an allowance ade-  
24   quate in the judgment of the Secretary of Transportation  
25   to cover administrative costs and probable losses under the

1 program. No loans shall be made, including renewals or  
2 extensions thereof, and no securities or obligations shall be  
3 purchased which have maturity dates in excess of forty  
4 years.

5       “(d) Any State or local public body or agency thereof  
6 which makes applications for a grant or loan under this  
7 title to finance the acquisition, construction, reconstruction, or  
8 improvement of facilities or equipment which will substan-  
9 tially affect a community or its mass transportation service  
10 shall certify to the Secretary that it has held public hearings,  
11 has afforded adequate notice of such hearings, has considered  
12 the economic and social effects of the project for which  
13 application for financial assistance is made and its impact  
14 on the environment, and has found that the project is con-  
15 sistent with any plans for the comprehensive development of  
16 the urban area. The notice required by this subsection shall  
17 include a concise statement of the proposal for which the  
18 application is made and may be published in a newspaper  
19 of general circulation in the State or locality to be served,  
20 and shall be published in the Federal Register, and for the  
21 purpose of this sentence the Administrator of the General  
22 Services Administration shall accept and publish any such  
23 notice. Hearings need not be held if opportunity for such  
24 hearings is provided through adequate notice, and no one  
25 with a significant economic, social or environmental interest



1 *in the matter requests a hearing. If hearings have been held,*  
2 *a copy of the transcript of the hearings shall be submitted*  
3 *with a significant economic, social, or environmental interest*

4 *SEC. 503. (a) Subsection 4(a) of the Urban Mass Trans-*  
5 *portation Act of 1964, as amended (49 U.S.C. 1603(a)),*  
6 *is amended by—*

7 *(1) striking out “section 3” in the first sentence*  
8 *and inserting in lieu thereof “subsection (a) of section*  
9 *3”; and*

10 *(2) striking out the next to the last sentence and*  
11 *inserting in lieu thereof the following: “Such remainder*  
12 *may be provided in whole or in part from other than*  
13 *public sources and any public or private transit system*  
14 *funds so provided shall be solely from undistributed*  
15 *cash surpluses, replacement or depreciation funds or*  
16 *reserves available in cash, or new capital.”*

17 *(b) Section 4 of the Urban Mass Transportation Act*  
18 *of 1964, as amended (49 U.S.C. 1603), is amended by*  
19 *adding at the end thereof the following new subsections:*

20 *“(c) To finance the programs and activities, including*  
21 *administrative costs, under this title, the Secretary is au-*  
22 *thorized to incur obligations in the form of grant agreements*  
23 *or otherwise in amounts aggregating not to exceed \$3,100,-*  
24 *000,000. This amount shall become available for obligation*  
25 *upon the effective date of this subsection and shall remain*

1 available until obligated. There are authorized to be appro-  
2 priated for liquidation of the obligations incurred under this  
3 subsection not to exceed \$80,000,000 prior to July 1, 1971,  
4 which amount may be increased to not to exceed an aggre-  
5 gate of \$310,000,000 prior to July 1, 1972, not to exceed  
6 an aggregate of \$710,000,000 prior to July 1, 1973, not  
7 to exceed an aggregate of \$1,260,000,000 prior to July 1,  
8 1974, not to exceed an aggregate of \$1,860,000,000 prior  
9 to July 1, 1975, and not to exceed an aggregate of \$3,100,-  
10 000,000 thereafter. Sums so appropriated shall remain avail-  
11 able until expended.

12       “(d) The Secretary shall report annually to the Con-  
13 gress, after consultation with State and local public agencies,  
14 with respect to outstanding grants or other contractual agree-  
15 ments executed pursuant to subsection (c) of this section.  
16 To assure program continuity and orderly planning and proj-  
17 ect development, the Secretary shall submit to the Congress  
18 (1) authorization requests for fiscal years 1976 and 1977  
19 not later than February 1, 1972, (2) authorization requests  
20 for fiscal years 1978 and 1979 not later than February 1,  
21 1974, (3) authorization requests for fiscal years 1980 and  
22 1981 not later than February 1, 1976, and (4) an authoriza-  
23 tion request for fiscal year 1982 not later than February 1,  
24 1978. Such authorization requests shall be designed to meet  
25 the Federal commitment specified in the first section of the

1 *Urban Mass Transportation Assistance Act of 1969. Con-*  
2 *currently with these authorization requests, the Secretary*  
3 *shall also submit his recommendations for any necessary ad-*  
4 *justments in the schedule for liquidation of obligations."*

5 *SEC. 504. Section 5 of the Urban Mass Transportation*  
6 *Act of 1964, as amended (49 U.S.C. 1604), is amended by*  
7 *striking out the next to the last sentence and inserting in lieu*  
8 *thereof the following sentence: "Such remainder may be*  
9 *provided in whole or in part from other than public sources*  
10 *and any public or private transit system funds so provided*  
11 *shall be solely from undistributed cash surpluses, replacement*  
12 *or depreciation funds or reserves available in cash, or new*  
13 *capital."*

14 *SEC. 505. Section 14 of the Urban Mass Transportation*  
15 *Act of 1964, as amended (49 U.S.C. 1610), is amended to*  
16 *read as follows:*

17 *"ENVIRONMENTAL PROTECTION*

18 *"SEC. 14. (a) It is hereby declared to be the national*  
19 *policy that urban mass transportation projects for which*  
20 *Federal financial assistance is provided pursuant to section*  
21 *3 shall provide for the protection and enhancement of the*  
22 *natural resources and the quality of environment of the*  
23 *Nation. In implementing this policy the Secretary shall con-*  
24 *sult with the Secretaries of Health, Education, and Welfare,*  
25 *Housing and Urban Development, and Interior and with the*

1 *National Environmental Quality Council with regard to*  
2 *each such project that may have a substantial impact on*  
3 *natural resources including, but not limited to water and*  
4 *air quality, peace and tranquility, and fish and wildlife, nat-*  
5 *ural, scenic and recreational assets, and other factors affect-*  
6 *ing the environment.*

7       “(b) The Secretary shall review each transcript of  
8 hearing submitted pursuant to section 3(d) to assure that  
9 an adequate opportunity was afforded for the presentation  
10 of views by all parties with a significant economic, social  
11 or environmental interest and that the environmental con-  
12 siderations identified at the hearing have been adequately  
13 dealt with in the project application. The Secretary shall  
14 not grant financial assistance under section 3 for any project  
15 unless he is satisfied that fair consideration has been given  
16 to the preservation and enhancement of the environment and  
17 to the interest of the community in which the project is  
18 located.

19       “(c) If opposition to any application for assistance under  
20 section 3 is raised in the hearing before the State or local  
21 public agency, or in any communication to the Secretary,  
22 on the grounds that the environment would be adversely  
23 affected by the project to which the application relates, the  
24 Secretary shall not approve the application, unless he finds  
25 in writing after a full and complete review of the record of

1 such hearing and of the application, that (1) no adverse  
2 environmental effect is likely to result from such project, or  
3 (2) there exists no feasible and prudent alternative to such  
4 effect and all reasonable steps have been taken to minimize  
5 such effect. In any case in which the Secretary determines  
6 that the record of the hearing before the State or local public  
7 agency is inadequate to permit him to make the findings re-  
8 quired under the preceding sentence, he shall conduct a  
9 hearing, including adequate notice to interested persons, on  
10 the environmental issue raised by such application. Findings  
11 of the Secretary under this subsection shall be made a matter  
12 of public record."

13 SEC. 506. Section 15 of the Urban Mass Transportation  
14 Act of 1964, as amended (49 U.S.C. 1611), is amended  
15 to read as follows:

16 "STATE LIMITATION

17 "SEC. 15. Grants made under section 3 (other than for  
18 relocation payments in accordance with section 7(b)) be-  
19 fore July 1, 1970, for projects in any one State shall not  
20 exceed in the aggregate  $12\frac{1}{2}$  per centum of the aggregate  
21 amount of grant funds authorized to be appropriated pursu-  
22 ant to section 4(b); except that the Secretary may, without  
23 regard to such limitation, enter into contracts for grants  
24 under section 3 aggregating not to exceed \$12,500,000  
25 (subject to the total authorization provided in section 4(b))

1 with local public bodies and agencies in States where more  
2 than two-thirds of the maximum grants permitted in the  
3 respective State under this section has been obligated. Grants  
4 made on or after July 1, 1970, under section 3 for projects  
5 in any one State may not exceed in the aggregate  $12\frac{1}{2}$  per  
6 centum of the aggregate amount of funds authorized to be  
7 obligated under subsection 4(c), except that  $1\frac{1}{2}$  per centum  
8 of the aggregate amount of grant funds authorized to be  
9 obligated under subsection 4(c) may be used by the Secre-  
10 tary, without regard to this limitation, for grants in States  
11 where more than two-thirds of the maximum amounts per-  
12 mitted under this section has been obligated and except that  
13 an additional 6 per centum of the aggregate amount of grant  
14 funds authorized to be obligated under subsection 4(c) may  
15 be used by the Secretary for grants in States where more  
16 than two-thirds of the maximum amounts permitted under  
17 this section has been obligated, where the Secretary shall  
18 determine that the utilization of these funds in this manner  
19 shall better accomplish the purposes of this title and shall  
20 not prejudice or delay pending projects of other States, but  
21 in no case shall any State receive more than 25 per centum  
22 of the additional grant funds made available under this ex-  
23 ception. In computing State limitations under this section,  
24 grants for relocation payments shall be excluded. Any grant

1 made under section 3 to a local public body or agency in  
2 a major metropolitan area which is used in whole or in part  
3 to provide or improve urban mass transportation service,  
4 pursuant to an interstate compact approved by the Congress,  
5 in a neighboring State having within its boundaries popula-  
6 tion centers within normal commuting distance from such  
7 major metropolitan area, shall, for purposes of computing  
8 State limitations under this section, be allocated on an equi-  
9 table basis, in accordance with regulations prescribed by the  
10 Secretary, between the State in which such public body or  
11 agency is situated and such neighboring State.”

12 SEC. 507. Nothing in this title shall affect the authority  
13 of the Secretary of Housing and Urban Development to  
14 make grants, under the authority of sections 6(a), 9, and 11  
15 of the Urban Mass Transportation Act of 1964, as amended  
16 (49 U.S.C. 1605(a), 1607a, and 1607c), and Reorganiza-  
17 tion Plan Numbered 2 of 1968, for projects or activities pri-  
18 marily concerned with the relationship of urban transporta-  
19 tion systems to the comprehensively planned development  
20 of urban areas, or the role of transportation planning in  
21 overall urban planning, out of funds appropriated to him for  
22 that purpose.

23 SEC. 508. This title may be cited as the “Urban Mass  
24 Transportation Assistance Act of 1969”.

1           *TITLE VI—PROVISIONS RELATING TO*  
2                           *CREDIT CARDS*

3           *SEC. 601. Section 103 of the Truth in Lending Act*  
4           *(82 Stat. 146) is amended by redesignating subsections (j),*  
5           *(k), and (l) as subsections (p), (q), and (r), respectively,*  
6           *and by adding after subsection (i) the following:*

7           *“(j) The term ‘adequate notice’, as used in section 133,*  
8           *means a printed notice to a cardholder which sets forth the*  
9           *pertinent facts clearly and conspicuously so that a person*  
10           *against whom it is to operate could reasonably be expected*  
11           *to have noticed it and understood its meaning. Such notice*  
12           *may be given to a cardholder by printing the notice on any*  
13           *credit card, or on each periodic statement of account, issued*  
14           *to the cardholder, or by any other means reasonably assur-*  
15           *ing the receipt thereof by the cardholder.*

16           *“(k) The term ‘credit card’ means any card, plate,*  
17           *coupon book or other credit device existing for the purpose*  
18           *of obtaining money, property, labor, or services on credit.*

19           *“(l) The term ‘accepted credit card’ means any credit*  
20           *card which the cardholder has requested and received or has*  
21           *signed or has used, or authorized another to use, for the*  
22           *purpose of obtaining money, property, labor, or services on*  
23           *credit.*

24           *“(m) The term ‘cardholder’ means any person to whom*  
25           *a credit card is issued or any person who has agreed with*



1 the card issuer to pay obligations arising from the issuance  
2 of a credit card to another person.

3 “(n) The term ‘card issuer’ means any person who  
4 issues a credit card, or the agent of such person with respect  
5 to such card.

6 “(o) The term ‘unauthorized use’, as used in section  
7 133, means a use of a credit card by a person other than  
8 the cardholder who does not have actual, implied, or appar-  
9 ent authority for such use and from which the cardholder  
10 receives no benefit.”

11 SEC. 602. (a) the Truth in Lending Act (82 Stat. 146)  
12 is amended by adding after section 131 the following  
13 sections:

14 “§ 132. Issuance of credit cards

15 “No credit card shall be issued except in response to a  
16 request or application therefor. This prohibition does not  
17 apply to the issuance of a credit card in renewal of, or in  
18 substitution for, an accepted credit card.

19 “§ 133. Liability of holder of credit card

20 “(a) A cardholder shall be liable for the unauthorized  
21 use of a credit card only if the card is an accepted credit  
22 card, the liability is not in excess of \$50, the card  
23 issuer gives adequate notice to the cardholder of the potential  
24 liability, the card issuer has provided the cardholder with  
25 a self-addressed, prestamped notification to be mailed by

1 the cardholder in the event of the loss or theft of the credit  
2 card, and the unauthorized use occurs before the card-  
3 holder has notified the card issuer that an unauthorized  
4 use of the credit card has occurred or may occur as the  
5 result of loss, theft, or otherwise. Notwithstanding the fore-  
6 going, no cardholder shall be liable for the unauthorized  
7 use of any credit card which was issued on or after the  
8 effective date of this section, and, after the expiration of  
9 twelve months following such effective date, no cardholder  
10 shall be liable for the unauthorized use of any credit card  
11 regardless of the date of its issuance, unless (1) the condi-  
12 tions of liability specified in the preceding sentence are met,  
13 and (2) the card issuer has provided a method whereby  
14 the user of such card can be identified as the person au-  
15 thorized to use it. For the purposes of this section, a card-  
16 holder notifies a card issuer by taking such steps as may  
17 be reasonably required in the ordinary course of business to  
18 provide the card issuer with the pertinent information  
19 whether or not any particular officer, employee, or agent  
20 of the card issuer does in fact receive such information.

21       “(b) In any action by a card issuer to enforce liability  
22 for the use of a credit card, the burden of proof is upon the  
23 card issuer to show that the use was authorized or, if the use  
24 was unauthorized, then the burden of proof is upon the card  
25 issuer to show that the conditions of liability for the unauthor-

1 ized use of a credit card, as set forth in subsection (a), have  
2 been met.

3 “(c) Nothing in this section imposes liability upon a  
4 cardholder for the unauthorized use of a credit card in excess  
5 of his liability for such use under other applicable law or  
6 under any agreement with the card issuer.

7 “(d) Except as provided in this section, a cardholder  
8 incurs no liability from the unauthorized use of a credit card.

9 “§ 134. It shall be unlawful to use the credit card of an-  
10 other without authorization

11 “Whoever, in a transaction affecting commerce, uses a  
12 credit card without the authorization of the holder shall,  
13 upon conviction thereof, be punished by imprisonment for a  
14 term not to exceed one year or fined a sum not to exceed  
15 \$1,000, or both.”

16 (b) The table of contents of chapter 2 of the Truth in  
17 Lending Act is amended by adding at the end thereof the  
18 following:

“132. Issuance of credit cards.

“133. Liability of holder of credit card.”

19 SEC. 603. The amendments to the Truth in Lending Act  
20 made by this title become effective as follows:

21 (1) Section 132 of such Act takes effect upon the  
22 date of enactment of this title.

23 (2) Section 133 of such Act takes effect upon the  
24 expiration of 90 days after such date of enactment.

*TITLE VII—PROVISIONS RELATING TO  
CREDIT REPORTING AGENCIES*

*AMENDMENT OF CONSUMER CREDIT PROTECTION ACT*

*SEC. 701. The Consumer Credit Protection Act is amended by adding at the end thereof the following new title:*

*“TITLE VI—CONSUMER CREDIT REPORTING*

*“Sec.*

*“601. Short title.*

*“602. Findings and purpose.*

*“603. Definitions and rules of construction.*

*“604. Permissible purposes of reports.*

*“605. Obsolete information.*

*“606. Disclosure of investigative consumer reports.*

*“607. Compliance procedures.*

*“608. Disclosures to governmental agencies.*

*“609. Disclosure to consumers.*

*“610. Conditions of disclosure to consumers.*

*“611. Procedure in case of disputed accuracy.*

*“612. Charges for certain disclosures.*

*“613. Public record information for employment purposes.*

*“614. Restrictions on investigative consumer reports.*

*“615. Requirements on users of consumer reports.*

*“616. Civil liability for willful noncompliance.*

*“617. Civil liability for grossly negligent noncompliance.*

*“618. Jurisdiction of courts; limitation.*

*“619. Obtaining information under false pretenses.*

*“620. Administrative enforcement.*

*“621. Relation to State laws.*

*“§ 601. Short title*

*“This title may be cited as the Fair Credit Reporting Act.*

*“§ 602. Findings and purpose*

*“(a) The Congress makes the following findings:*

*“(1) The banking system is dependent upon fair and accurate credit reporting. Inaccurate credit reports directly*

1 *impair the efficiency of the banking system, and unfair credit*  
2 *reporting methods undermine the public confidence which is*  
3 *essential to the continued functioning of the banking system.*

4       “(2) *An elaborate mechanism has been developed for*  
5 *investigating and evaluating the credit worthiness, credit*  
6 *standing, credit capacity, character, and general reputation*  
7 *of consumers.*

8       “(3) *Consumer reporting agencies have assumed a*  
9 *vital role in assembling and evaluating consumer credit and*  
10 *other information on consumers.*

11       “(4) *There is a need to insure that consumer report-*  
12 *ing agencies exercise their grave responsibilities with fair-*  
13 *ness, impartiality, and a respect for the consumer's right to*  
14 *privacy.*

15       “(b) *It is the purpose of this title to require that con-*  
16 *sumer reporting agencies adopt reasonable procedures for*  
17 *meeting the needs of commerce for consumer credit, person-*  
18 *nel, insurance, and other information in a manner which is*  
19 *fair and equitable to the consumer, with regard to the confi-*  
20 *dentiality, accuracy, relevancy, and proper utilization of*  
21 *such information in accordance with the requirements of this*  
22 *title.*

23       “§ 603. *Definitions and rules of construction*

24       “(a) *Definitions and rules of construction set forth in*  
25 *this section are applicable for the purposes of this title.*

1       “(b) The term ‘person’ means any individual, partner-  
2   ship, corporation, trust, estate, cooperative, association, gov-  
3   ernment or governmental subdivision or agency, or other  
4   entity.

5       “(c) The term ‘consumer’ means an individual.

6       “(d) The term ‘consumer report’ means any written,  
7   oral, or other communication of any information by a con-  
8   sumer reporting agency bearing on a consumer’s credit  
9   worthiness, credit standing, credit capacity, character, gen-  
10   eral reputation, personal characteristics, or mode of liv-  
11   ing which is used or expected to be used or collected in  
12   whole or in part for the purpose of serving as a factor in es-  
13   tablishing the consumer’s eligibility for (1) credit or insur-  
14   ance to be used primarily for personal, family, or household  
15   purposes, or (2) employment purposes, or (3) other pur-  
16   poses authorized under section 604. The term does not include  
17   (A) any report containing information solely as to transac-  
18   tions or experience between the consumer and the person mak-  
19   ing the report; (B) any authorization or approval of a spe-  
20   cific extension of credit directly or indirectly by the issuer of  
21   a credit card or similar device; or (C) any report in which a  
22   person who has been requested by a third party to make a  
23   specific extension of credit directly or indirectly to a consumer  
24   conveys his decision with respect to such request, if the third  
25   party advises the consumer of the name and address of the

1 person to whom the request was made and such person makes  
2 the disclosures to the consumer required under section 615.

3 “(e) The term ‘investigative consumer report’ means a  
4 consumer report or portion thereof in which information on a  
5 consumer’s character, general reputation, personal character-  
6 istics, or mode of living is obtained through personal inter-  
7 views with neighbors, friends, or associates of the consumer  
8 reported on or with others with whom he is acquainted or  
9 who may have knowledge concerning any such items of in-  
10 formation. However, such information shall not include  
11 specific factual information on a consumer’s credit record  
12 obtained directly from a creditor of the consumer or from a  
13 consumer reporting agency when such information was ob-  
14 tained directly from a creditor of the consumer or from the  
15 consumer.

16 “(f) The term ‘consumer reporting agency’ means any  
17 person which, for monetary fees, dues, or on a cooperative  
18 nonprofit basis, regularly engages in whole or in part in  
19 the practice of assembling or evaluating consumer credit  
20 information or other information on consumers for the pur-  
21 pose of furnishing consumer reports to third parties, and  
22 which uses any means or facility of interstate commerce for  
23 the purpose of preparing or furnishing consumer reports.

24 “(g) The term ‘file’, when used in connection with in-  
25 formation on any consumer, means all of the information on

1 *that consumer recorded and retained by a consumer report-*  
2 *ing agency regardless of how the information is stored.*

3       “(h) The term ‘employment purposes’ when used in  
4 connection with a consumer report means a report used for  
5 the purpose of evaluating a consumer for employment, pro-  
6 motion, reassignment or retention as an employee.

7 **“§ 604. Permissible purposes of reports**

8       “A consumer reporting agency may furnish a consumer  
9 report under the following circumstances and no other:

10       “(1) In response to the order of a court having juris-  
11 diction to issue such an order.

12       “(2) In accordance with the written instructions of  
13 the consumer to whom it relates.

14       “(3) To a person which it has reason to believe—

15               “(A) intends to use the information in connection  
16 with a credit transaction involving the consumer on  
17 whom the information is to be furnished and involving  
18 the extension of credit to, or review or collection of an  
19 account of, the consumer; or

20               “(B) intends to use the information for employ-  
21 ment purposes; or

22               “(C) intends to use the information in connection  
23 with the underwriting of insurance involving the con-  
24 sumer; or

25               “(D) intends to use the information in connection



1       with a determination of the consumer's eligibility for a  
2       license or other benefit granted by a governmental in-  
3       strumentality required by law to consider an applicant's  
4       financial responsibility or status; or

5       “(E) otherwise has a legitimate business need for  
6       the information in connection with a business transaction  
7       involving the consumer.

8       “§ 605. *Obsolete information*

9       “(a) Except as authorized under subsection (b), no  
10      consumer reporting agency may make any consumer report  
11      containing any of the following items of information:

12      “(1) Bankruptcies which, from date of adjudication of  
13      the most recent bankruptcy, antedate the report by more  
14      than fourteen years.

15      “(2) Suits and judgments which, from date of entry,  
16      antedate the report by more than seven years or until the  
17      governing statute of limitations has expired, whichever is  
18      the longer period.

19      “(3) Paid tax liens which, from date of payment, ante-  
20      date the report by more than seven years.

21      “(4) Accounts placed for collection or charged to  
22      profit and loss which antedate the report by more than  
23      seven years or until the governing statute of limitations has  
24      expired, whichever is the longer period.

25      “(5) Records of arrest, indictment, or conviction of

1 *crime which, from date of disposition, release, or parole,*  
2 *antedate the report by more than seven years.*

3       “(6) *Any other adverse item of information which*  
4 *antedates the report by more than seven years.*

5       “(b) *The provisions of subsection (a) are not appli-*  
6 *cable in the case of any consumer credit report to be used in*  
7 *connection with—*

8               “(1) *a credit transaction involving, or which may*  
9 *reasonably be expected to involve, a principal amount of*  
10 *\$50,000 or more;*

11               “(2) *the underwriting of life insurance involving,*  
12 *or which may reasonably be expected to involve, a prin-*  
13 *cipal amount of \$25,000 or more; or*

14               “(3) *the employment of any individual at an*  
15 *annual salary which equals, or which may reasonably*  
16 *be expected to equal \$20,000, or more.*

17 **“§ 606. Disclosure of investigative consumer reports**

18       “(a) *A person may not procure or cause to be pre-*  
19 *pared an investigative consumer report on any consumer*  
20 *unless—*

21               “(1) *it is clearly and accurately disclosed to the con-*  
22 *sumer that an investigative consumer report including*  
23 *information as to his character, general reputation, per-*  
24 *sonal characteristics, and mode of living, whichever are*  
25 *applicable, may be made, and such disclosure (A) is*

1       *made in a writing, or otherwise delivered to the con-*  
2       *sumer, not later than three days after the date on*  
3       *which the report was first requested, and (B) includes a*  
4       *statement informing the consumer of his right to request*  
5       *the additional disclosures provided for under subsection*  
6       *(b) of this section; or*

7               *“(2) the report is to be used for employment*  
8       *purposes for which the consumer has not specifically*  
9       *applied.*

10       *“(b) Any person who procures or causes to be pre-*  
11       *pared an investigative consumer report on any consumer*  
12       *shall, upon written request made by the consumer within*  
13       *a reasonable period of time after the receipt by him of the*  
14       *disclosure required by subsection (a)(1), shall make a com-*  
15       *plete and accurate disclosure of the nature and scope of the*  
16       *investigation requested. This disclosure shall be made in a*  
17       *writing mailed, or otherwise delivered, to the consumer not*  
18       *later than five days after the date on which the request for*  
19       *such disclosure was received from the consumer or such*  
20       *report was first requested, whichever is the later.*

21               *“(c) No person may be held liable for any violation*  
22       *of subsection (a) or (b) of this section if he shows by a*  
23       *preponderance of the evidence that at the time of the viola-*  
24       *tion he maintained reasonable procedures to assure compli-*  
25       *ance with subsection (a) or (b).*

1   **“§ 607. Compliance procedures**

2       *“Every consumer reporting agency shall maintain*  
3 *reasonable procedures designed to avoid violations of sec-*  
4 *tion 605 and to limit the furnishing of consumer reports*  
5 *to the purposes listed under section 604. These procedures*  
6 *shall require that prospective users of the information iden-*  
7 *tify themselves, certify the purposes for which the infor-*  
8 *mation is sought, and certify that the information will be*  
9 *used for no other purpose. Every consumer reporting agency*  
10 *shall make a reasonable effort to verify the identity of a new*  
11 *prospective user and the uses certified by such prospective*  
12 *user prior to furnishing such user a consumer report. No*  
13 *consumer reporting agency may furnish a consumer report*  
14 *to any person if it has reasonable grounds for believing that*  
15 *the consumer report will not be used for a purpose listed in*  
16 *section 604.*

17   **“§ 608. Disclosures to governmental agencies**

18       *“Notwithstanding the provisions of section 604, a con-*  
19 *sumer reporting agency may furnish identifying information*  
20 *respecting any consumer, limited to his name, address, former*  
21 *addresses, places of employment, or former places of em-*  
22 *ployment, to a governmental agency.*

23   **“§ 609. Disclosures to consumers**

24       *“Every consumer reporting agency shall, upon request*  
25 *and proper identification of any consumer, clearly and accu-*  
26 *rately disclose to the consumer:*

1       “(1) The nature and substance of all information in its  
2       files on the consumer at the time of the request.

3       “(2) The sources of the information except that the  
4       sources of information acquired solely for use in preparing  
5       an investigative consumer report and actually used for no  
6       other purpose need not be disclosed.

7       “(3) The recipients of any consumer report on the  
8       consumer which it has furnished—

9               “(A) for employment purposes within the two-  
10       year period preceding the request, and

11              “(B) for any other purpose within the six-month  
12       period preceding the request.

13       “§ 610. Conditions of disclosure to consumers

14       “(a) A consumer reporting agency shall make the dis-  
15       closures required under section 609 during normal business  
16       hours and on reasonable notice.

17       “(b) The disclosures required under section 609 shall  
18       be made to the consumer—

19              “(1) in person if he appears in person and furnishes  
20       proper identification; or

21              “(2) by telephone if he has made a written request,  
22       with proper identification, for telephone disclosure and  
23       the toll charge, if any, for the telephone call is prepaid  
24       by or charged directly to the consumer.

25       “(c) Any consumer reporting agency shall provide

1 trained personnel to explain to the consumer any information  
2 furnished to him pursuant to section 609.

3       “(d) The consumer shall be permitted to be accom-  
4 panied by one other person of his choosing, who shall furnish  
5 reasonable identification. A consumer reporting agency may  
6 require the consumer to furnish a written statement grant-  
7 ing permission to the consumer reporting agency to discuss  
8 the consumer's file in such person's presence.

9       “(e) Except as provided in section 616 and 617, no  
10 consumer shall have any claim against or bring any action or  
11 proceeding in the nature of defamation, invasion of privacy,  
12 or negligence with respect to the reporting of information  
13 against any consumer reporting agency, any user of informa-  
14 tion, or any person who furnishes information to a consumer  
15 reporting agency, based on information disclosed pursuant to  
16 section 609, 610, or 615, except as to false information fur-  
17 nished with malice or willful intent to injure such consumer.

18       **“§ 611. Procedure in case of disputed accuracy**

19       “(a) If the completeness or accuracy of any item of  
20 information contained in his file is disputed by a consumer  
21 and such dispute is directly conveyed to the consumer report-  
22 ing agency by the consumer, the consumer reporting agency  
23 shall within a reasonable period of time reinvestigate and  
24 record the current status of that information unless it has  
25 reasonable grounds to believe that the dispute by the con-

1 *sumer is frivolous or irrelevant. If after such reinvestigation*  
2 *such information is found to be inaccurate or can no longer*  
3 *be verified, the consumer reporting agency shall promptly*  
4 *delete such information. The presence of contradictory in-*  
5 *formation in the consumer's file does not in and of itself*  
6 *constitute reasonable grounds for believing the dispute is*  
7 *frivolous or irrelevant.*

8       “(b) *If the reinvestigation does not resolve the dis-*  
9 *pute, the consumer may file a brief statement setting forth*  
10 *the nature of the dispute. The consumer reporting agency*  
11 *may limit such statements to not more than one hundred*  
12 *words if it provides the consumer with assistance in writing*  
13 *a clear summary of the dispute.*

14       “(c) *Whenever a statement of a dispute is filed, unless*  
15 *there is reasonable grounds to believe that it is frivolous or*  
16 *irrelevant, the consumer reporting agency shall, in any sub-*  
17 *sequent consumer report containing the information in ques-*  
18 *tion, clearly note that it is disputed by the consumer and*  
19 *provide either the consumer's statement or a clear and*  
20 *accurate codification or summary thereof.*

21       “(d) *Following any deletion of information which is*  
22 *found to be inaccurate or whose accuracy can no longer be*  
23 *verified or any notation as to disputed information, the*  
24 *consumer reporting agency shall, at the request of the con-*  
25 *sumer, furnish notification that the item has been deleted*

1 *or the statement, codification or summary pursuant to sub-*  
2 *section (b) or (c) to any person specifically designated by*  
3 *the consumer who has within two years prior thereto received*  
4 *a consumer report for employment purposes, or within six*  
5 *months prior thereto received a consumer report for any*  
6 *other purpose, which contained the deleted or disputed in-*  
7 *formation. The consumer reporting agency shall disclose to*  
8 *the consumer his rights to make such a request. Such dis-*  
9 *closure shall be made at or prior to the time the information*  
10 *is deleted or the consumer's statement regarding the disputed*  
11 *information is received.*

12 **“§ 612. Charges for certain disclosures**

13 *“A consumer reporting agency shall make all disclo-*  
14 *tures pursuant to section 609 and furnish all consumer re-*  
15 *ports pursuant to section 611(d) without charge to the*  
16 *consumer if, within thirty days after receipt by such con-*  
17 *sumer of a notification pursuant to section 615 or notifica-*  
18 *tion from a debt collection agency affiliated with such con-*  
19 *sumer reporting agency stating that the consumer's credit*  
20 *rating may be or has been adversely affected, the consumer*  
21 *makes a request under sections 609 or 611(d). Otherwise,*  
22 *the consumer reporting agency may impose a reasonable*  
23 *charge on the consumer for making disclosure to such con-*  
24 *sumer pursuant to section 609, the charge for which shall*  
25 *be indicated to the consumer prior to making disclosure; and*



1 *for furnishing notifications, statements, summaries, or codi-*  
2 *fications to persons designated by the consumer pursuant to*  
3 *section 611(d), the charge for which shall be indicated to*  
4 *the consumer prior to furnishing such information and shall*  
5 *not exceed the charge that the consumer reporting agency*  
6 *would impose on each designated recipient for a consumer*  
7 *report except that no charge may be made for notifying such*  
8 *persons of the deletion of information which is found to be*  
9 *inaccurate or which can no longer be verified.*

10 **“§ 613. Public record information for employment pur-**  
11 **poses**

12 *“A consumer reporting agency which furnishes a con-*  
13 *sumer report for employment purposes and which for that*  
14 *purpose complies and reports items of information on con-*  
15 *sumers which are matters of public record and are likely to*  
16 *have an adverse effect upon a consumer's ability to obtain*  
17 *employment shall—*

18 *“(1) at the time such public record information is*  
19 *reported to the user of such consumer report, notify the*  
20 *consumer of the fact that public record information is*  
21 *being reported by the consumer reporting agency, to-*  
22 *gether with the name and address of the person to whom*  
23 *such information is being reported; or*

24 *“(2) maintain strict procedures designed to insure*  
25 *that whenever public record information which is likely*

1       to have an adverse effect on a consumer's ability to  
2       obtain employment is reported it is complete and up to  
3       date. For purposes of this subparagraph, items of public  
4       record relating to arrests, indictments, convictions, suits,  
5       tax liens, and outstanding judgments shall be considered  
6       up to date if the current public record status of the item  
7       at the time of the report is reported.

8       **“§ 614. Restrictions on investigative consumer reports**

9       “Whenever a consumer reporting agency prepares an  
10      investigative consumer report, no adverse information in  
11      the consumer report (other than information which is a  
12      matter of public record) may be included in a subsequent  
13      consumer report unless such adverse information has been  
14      verified in the process of making such subsequent consumer  
15      report, or the adverse information was received within the  
16      three-month period preceding the date the subsequent report  
17      is furnished. Whenever a consumer reporting agency pre-  
18      pares an investigative consumer report, it shall follow reason-  
19      able procedures to assure maximum possible accuracy of the  
20      report.

21      **“§ 615. Requirements on users of consumer reports**

22      “(a) Whenever credit or insurance for personal, fam-  
23      ily, or household purposes, or employment involving a con-  
24      sumer is denied or the charge for such credit or insurance  
25      is increased either wholly or partly because of information

1 contained in a consumer report from a consumer reporting  
2 agency, the user of the consumer report shall, within a  
3 reasonable period of time, upon the consumer's written  
4 request for the reason for such adverse action received within  
5 sixty days after learning of such adverse action, so advise the  
6 consumer against whom such adverse action has been taken  
7 and supply the name and address of the consumer reporting  
8 agency making the report. The user of the consumer report  
9 shall disclose to the consumer his right to make such written  
10 request at the time such adverse action is communicated to  
11 the consumer.

12       “(b) Whenever credit for personal, family, or house-  
13 hold purposes involving a consumer is denied or the charge  
14 for such credit is increased either wholly or partly because  
15 of information obtained from a person other than a con-  
16 sumer reporting agency bearing upon the consumer's credit  
17 worthiness, credit standing, credit capacity, character, gen-  
18 eral reputation, personal characteristics, or mode of living,  
19 the user of such information shall, within a reasonable period  
20 of time, upon the consumer's written request for the reasons  
21 for such adverse action received within sixty days after learn-  
22 ing of such adverse action, disclose the nature of the infor-  
23 mation to the consumer. The user of such information shall  
24 disclose to the consumer his right to make such written

1 request at the time such adverse action is communicated to  
2 the consumer.

3 “(c) No person shall be held liable for any violation of  
4 this section if he shows by a preponderance of the evidence  
5 that at the time of the alleged violation he maintained  
6 reasonable procedures to assure compliance with the provi-  
7 sions of subsections (a) and (b).

8 **“§ 616. Civil liability for willful noncompliance**

9 “Any consumer reporting agency or user of information  
10 which willfully fails to comply with any requirement im-  
11 posed under this title with respect to any consumer is liable  
12 to that consumer in an amount equal to the sum of—

13 “(1) any actual damages sustained by the consumer  
14 as a result of the failure;

15 “(2) such amount of punitive damages as the court  
16 may allow, which shall not be less than \$100 nor greater  
17 than \$1,000; and

18 “(3) in the case of any successful action to enforce  
19 any liability under this section, the costs of the action  
20 together with reasonable attorney's fees as determined  
21 by the court.

22 **“§ 617. Civil liability for grossly negligent noncompliance**

23 “Any consumer reporting agency or user of information  
24 which is grossly negligent in failing to comply with any  
25 requirement imposed under this title with respect to any

1 consumer is liable to that consumer in an amount equal to  
2 the sum of—

3 “(1) any actual damages sustained by the con-  
4 sumer as a result of the failure;

5 “(2) in the case of any successful action to enforce  
6 any liability under this section, the costs of the action  
7 together with reasonable attorney’s fees as determined  
8 by the court.

9 **“§ 618. Jurisdiction of courts; limitation**

10 “Any action under section 616 or 617 may be brought  
11 in any appropriate United States district court, or in any  
12 other court of competent jurisdiction, within two years from  
13 the date of the occurrence of the violation.

14 **“§ 619. Obtaining information under false pretenses**

15 “Any person who knowingly and willfully obtains infor-  
16 mation on a consumer from a consumer reporting agency  
17 under false pretenses shall be fined not more than \$5,000 or  
18 imprisoned not more than one year, or both.

19 **“§ 620. Administrative enforcement**

20 “(a) Compliance with the requirements imposed under  
21 this title shall be enforced under the Federal Trade Com-  
22 mission Act by the Federal Trade Commission with  
23 respect to consumer reporting agencies and all other per-  
24 sons subject thereto, except to the extent that enforcement  
25 of the requirements imposed under this title is specif-

1 ically committed to some other government agency under  
2 subsection (b) hereof. For the purpose of the exercise by  
3 the Federal Trade Commission of its functions and powers  
4 under the Federal Trade Commission Act, a violation of  
5 any requirement or prohibition imposed under this title  
6 shall constitute an unfair or deceptive act or practice in  
7 commerce in violation of section 5(a) of the Federal Trade  
8 Commission Act and shall be subject to enforcement by  
9 the Federal Trade Commission under section 5(b) thereof  
10 with respect to any consumer reporting agency or person  
11 subject to enforcement by the Federal Trade Commission  
12 pursuant to this subsection, irrespective of whether that per-  
13 son is engaged in commerce or meets any other jurisdic-  
14 tional tests in the Federal Trade Commission Act. The  
15 Federal Trade Commission shall have such procedural, in-  
16 vestigative, and enforcement powers, including the power  
17 to issue procedural rules in enforcing compliance with the  
18 requirements imposed under this title and to require the  
19 filing of reports, the production of documents, and the ap-  
20 pearance of witnesses as though the applicable terms and  
21 conditions of the Federal Trade Commission Act were part  
22 of this title. Any person violating any of the provisions of  
23 this title shall be subject to the penalties and entitled to the  
24 privileges and immunities provided in the Federal Trade

1 *Commission Act as though the applicable terms and pro-*  
2 *visions thereof were part of this title.*

3 *“(b) Compliance with the requirements imposed under*  
4 *this title with respect to consumer reporting agencies and*  
5 *persons who use consumer reports from such agencies shall*  
6 *be enforced under—*

7 *“(1) section 8 of the Federal Deposit Insurance*  
8 *Act, in the case of:*

9 *“(A) national banks, by the Comptroller of*  
10 *the Currency;*

11 *“(B) member banks of the Federal Reserve*  
12 *System (other than national banks), by the Federal*  
13 *Reserve Board; and*

14 *“(C) banks insured by the Federal Deposit*  
15 *Insurance Corporation (other than members of the*  
16 *Federal Reserve System), by the Board of Directors*  
17 *of the Federal Deposit Insurance Corporation.*

18 *“(2) section (d) of the Home Owners Loan Act*  
19 *of 1933, section 407 of the National Housing Act, and*  
20 *sections 6(i) and 17 of the Federal Home Loan Bank*  
21 *Act, by the Federal Home Loan Bank Board (acting*  
22 *directly or through the Federal Savings and Loan Insur-*  
23 *ance Corporation), in the case of any institution subject*  
24 *to any of those provisions;*

1           “(3) *the Federal Credit Union Act, by the Direc-*  
2           *tor of the Bureau of Federal Credit Unions with respect*  
3           *to any Federal credit union;*

4           “(4) *the Acts to regulate commerce, by the Inter-*  
5           *state Commerce Commission with respect to any com-*  
6           *mon carrier subject to those Acts;*

7           “(5) *the Federal Aviation Act of 1958, by the*  
8           *Civil Aeronautics Board with respect to any air carrier*  
9           *or foreign air carrier subject to that Act; and*

10          “(6) *the Packers and Stockyards Act, 1921 (ex-*  
11          *cept as provided in section 406 of that Act), by the*  
12          *Secretary of Agriculture with respect to any activities*  
13          *subject to that Act.*

14          “(c) *For the purpose of the exercise by any agency*  
15          *referred to in subsection (b) of its powers under any Act*  
16          *referred to in that subsection, a violation of any requirement*  
17          *imposed under this title shall be deemed to be a violation of*  
18          *a requirement imposed under that Act. In addition to its*  
19          *powers under any provision of law specifically referred to*  
20          *in subsection (b), each of the agencies referred to in that*  
21          *subsection may exercise, for the purpose of enforcing com-*  
22          *pliance with any requirement imposed under this title, any*  
23          *other authority conferred on it by law.*

24          “§ 621. *Relation to State laws*

25          “*This title does not annul, alter, affect, or exempt any*



1 person subject to the provisions of this title from com-  
2 plying with the laws of any State with respect to the col-  
3 lection, distribution, or use of any information on consumers,  
4 except to the extent that those laws are inconsistent with any  
5 provision of this title, and then only to the extent of the  
6 inconsistency.”

7

**EFFECTIVE DATE**

8 SEC. 702. Section 504 of the Consumer Credit Protec-  
9 tion Act is amended by adding at the end thereof the follow-  
10 ing new subsection:

11 “(d) Title VI takes effect upon the expiration of one  
12 hundred and eighty days following the date of its enact-  
13 ment. The requirements of section 609 respecting the dis-  
14 closure of sources of information and the recipients of con-  
15 sumer reports do not apply to information received or con-  
16 sumer reports furnished prior to the effective date of title  
17 VI except to the extent that the information is contained in  
18 the files of the consumer reporting agency on that date.”

Passed the House of Representatives May 25, 1970.

Attest: W. PAT JENNINGS,  
Clerk.

Passed the Senate with an amendment September 18,  
1970.

Attest: FRANCIS R. VALEO,  
Secretary.

91<sup>ST</sup> CONGRESS  
2<sup>D</sup> SESSION

## H. R. 15073

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### AN ACT

To amend the Federal Deposit Insurance Act to require insured banks to maintain certain records, to require that certain transactions in United States currency be reported to the Department of the Treasury, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 18, 1970

Ordered to be printed with the amendment of the Senate